

SAPSRM

SAP Supplier Relationship Management

SAP SRM

Date _____
Training Center _____
Instructors _____

Education Website _____

Participant Handbook

Course Version: 92

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An SAP course - use it to learn, reference it for work

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About This Handbook

This handbook is intended to complement the instructor-led presentation of this course, and serve as a source of reference. It is not suitable for self-study.






Typographic Conventions

American English is the standard used in this handbook. The following typographic conventions are also used.

Type Style	Description
<i>Example text</i>	Words or characters that appear on the screen. These include field names, screen titles, pushbuttons as well as menu names, paths, and options. Also used for cross-references to other documentation both internal and external.
Example text	Emphasized words or phrases in body text, titles of graphics, and tables
EXAMPLE TEXT	Names of elements in the system. These include report names, program names, transaction codes, table names, and individual key words of a programming language, when surrounded by body text, for example SELECT and INCLUDE.
Example text	Screen output. This includes file and directory names and their paths, messages, names of variables and parameters, and passages of the source text of a program.
Example text	Exact user entry. These are words and characters that you enter in the system exactly as they appear in the documentation.
< Example text >	Variable user entry. Pointed brackets indicate that you replace these words and characters with appropriate entries.

Icons in Body Text

The following icons are used in this handbook.

Icon	Meaning
	For more information, tips, or background
	Note or further explanation of previous point
	Exception or caution
	Procedures
	Indicates that the item is displayed in the instructor's presentation.

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Course Overview

SAPSRM provides an introduction to the SAP SRM Solution. The course begins with a high-level overview of the SRM solution and its software components. This course is the prerequisite for the SRM Configuration course (SRM210). SAPSRM focuses on the SRM business scenarios and the related processes. The course provides participants with hands-on experience with SRM including Supplier Self-Services (SUS) and the Live Auction Cockpit. There is also an introduction to SAP E-Sourcing, SAP Contract Lifecycle Management and SAP Spend Analytics.

Target Audience

This course is intended for the following audiences:

- Customers who want an overview of SAP Supplier Relationship Management
- SAP consultants and partners

Course Prerequisites

Required Knowledge

- Basic knowledge of the procurement process

Recommended Knowledge

- SAP01 SAP Overview
- SCM500 Processes in Procurement



Course Goals

This course will prepare you to:

- Outline the purpose and function of SAP SRM and its software components.
- Understand the business scenarios of the SAP SRM solution
- Understand the software components utilized by the SAP SRM solution and their integration points



Course Objectives

After completing this course, you will be able to:

- Describe the architecture of SAP SRM
- Describe the application and technical components of SAP SRM
- Explain the business and technical scenarios of SAP SRM
- Describe the key master data and roles within my SAP SRM

- Execute business processes within SRM.
- Explain the basic concepts of SAP E-Sourcing, SAP Contract Lifecycle Management and SAP Spend Analytics.

Unit 1

SAP SRM Overview

Unit Overview

This unit will introduce you to the SRM solution and its software components. It also provides an overview of the SRM business scenarios as well as master data.



Unit Objectives

After completing this unit, you will be able to:

- Explain the SAP Business Suite
- Describe the main features of SAP Supplier Relationship Management
- Describe the SRM Application and Technology Components
- Explain the different SRM Deployment scenarios
- Explain the SRM Business scenarios
- Describe the roles utilized in different business scenarios
- Understand SAP Procurement for Public Sector
- Describe the features and integration aspects of SAP E-Sourcing.
- Understand process of SAP Contract Lifecycle Management.
- Explain SAP Spend Analytics.

Unit Contents

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Lesson: SRM Architecture and Software Components

Lesson Overview

This lesson will provide an overview of the different software components that make up the SAP SRM solution.



Lesson Objectives

After completing this lesson, you will be able to:

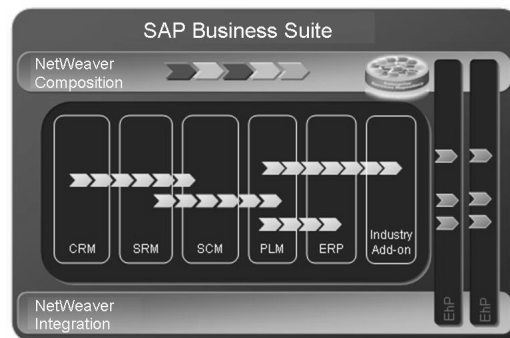
- Explain the SAP Business Suite
- Describe the main features of SAP Supplier Relationship Management
- Describe the SRM Application and Technology Components

Business Example

You company will be implementing SAP Supplier Relationship Management (SAP SRM) and you have been assigned to the project team. As a project team member, you need to become familiar with the different software components that make up this solution and their integration points.

SRM Business Suite 7.0 and SRM

SAP has invested heavily in its main application line for large enterprises to address a new set of market requirements. SAP Business Suite 7 addresses the needs of customers attempting to realize more value from their enterprise IT investments. It represents and contains all the latest business process support and industry capabilities from SAP, built for larger enterprises. It delivers more flexibility as a result of its synchronized release schedule, wider adoption of SOA design concepts, better industry specialization, and greater support for collaborative and unstructured business processes. The solutions are extensible and compatible with SAP ERP, and eliminate the necessity for large-scale upgrades through enhancement packages. It offers an opportunity for organizations to address business efficiency and envision challenges that prevent them from improving productivity of their employees or executing business strategies to drive greater profitability.



SAP Business Suite 7

No more stovepipes

Flexible end-to-end processes

Deploy as you go

Stepwise projects and installation

No more upgrades

Enhancement package = innovation packages

Dynamic

Re-usable enterprise services

Industry-focused

Delivers integrated industry solutions

Extensible

Easy expansion beyond ERP

Figure 1: SAP Business Suite 7

- There are no longer any application stovepipes hindering customers from realizing the benefits of true end-to-end process integration. Customers can consolidate enterprise systems on a common platform and deploy the latest advances from SAP in a synchronized fashion at the same time.
- SAP Business Suite 7 behaves like a true platform. Customers can decide how large or how small they want to organize their implementation projects. The dependency to install all components of SAP Business Suite is greatly reduced, simplifying the deployment and project planning exercises associated with enterprise software projects. For existing SAP customers, especially those that have migrated to SAP ERP 6.0, they can simply add on to their SAP systems, without having to upgrade their ERP backbone.
- Upgrades are a thing of the past with SAP Business Suite 7. SAP Business Suite customers have access to a software innovation delivery technique called “enhancement packages.” Enhancement packages are optional, and contain new advances in the software, such as new industry capabilities or new UI or new processes. To implement these advances, you do not have to go through a costly upgrade, and you do not have to replace parts of your systems that you like, or you believe address your business needs.
- SAP Business Suite 7 makes good use of all the investments in service-oriented architecture (SOA) and platform technology to reduce cost of ownership, increase the degree of system reuse, and improve flexibility of the software. By continuing to add web services to the systems, SAP Business Suite 7 is easier to configure to address industry needs and can communicate and integrate with a wider range of non-SAP systems, including many of your proprietary or legacy third-party systems you have in place.
- SAP Business Suite 7 is the most industry-specific suite on the market. Through one platform, customers can deploy specific functions and processes that are unique to their industry. More importantly, with the new Suite, an entire library of innovations for specific verticals is released. For example, retailers can finally integrate their point-of-sale systems (through SOA) to their core or backbone finance and inventory management systems.
- SAP Business Suite 7 is not a replacement of SAP ERP 6.0, in fact if you have invested in SAP ERP 6.0, you are much better able to make use of all the latest solutions within the SAP Business Suite. You now have the ability to extend your use of SAP to address other functional areas of your enterprise. For example, to link sales and support functions with finance more effectively, or to link contract and fulfillment management processes with your logistics and warehouse management functions in a better way.



- ✓ 2006/2007: Enhancement Package-based evolution pioneered by ERP
- ✓ 2008/2009: Enhancement Package-based evolution extended to the Business Suite
- ✓ Stable core available with ERP 6.0 and SRM 7.0.
- ✓ ERP 6.0 Enhancement Package 4 and SRM 7.0 is the recommended 'Go-To' Release as of Q4 2008.
- ✓ New functions will be delivered via enhancement packages of ERP as well as of SRM.

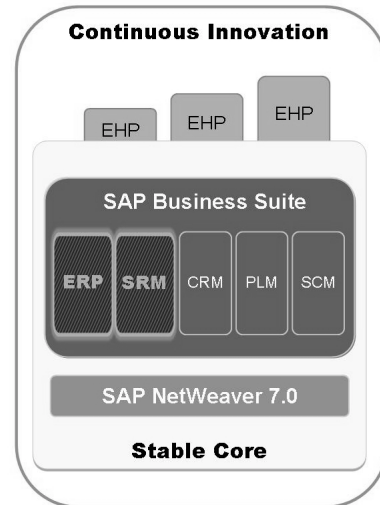


Figure 2: Business Suite Release Strategy

Part of the SAP Business Suite family of business applications, SAP Supplier Relationship Management (SAP SRM) application supports fully integrated procure-to-pay processes for goods and services. With the application, you can optimize the efficiency of your procurement processes and centralize sourcing and contract management activities. SAP SRM provides robust integration to your company's software and can connect to relevant data and processes in your SAP ERP application. It enables you to cut costs and improve the management and performance of your procurement operations; empower users with flexible, role-based access and definitions; and provide clear insight into spend and supplier data.

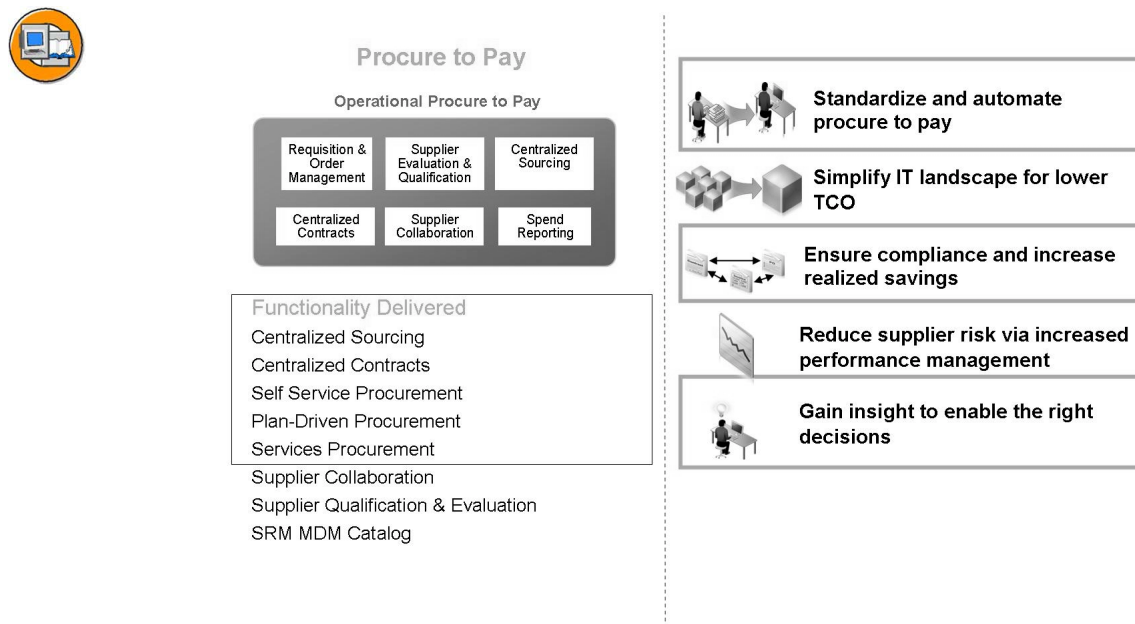


Figure 3: SAP SRM Fully Integrated Procure to Pay

SAP SRM enables dynamic, role-based access with its personalized interface. You can create shopping cart-based requisitions, purchase orders, requests for quotations, and work lists and perform personalized searches to access critical information. Enterprise-class technology in SAP Business Suite allows large, global customers to adapt the solution to meet their unique business requirements.

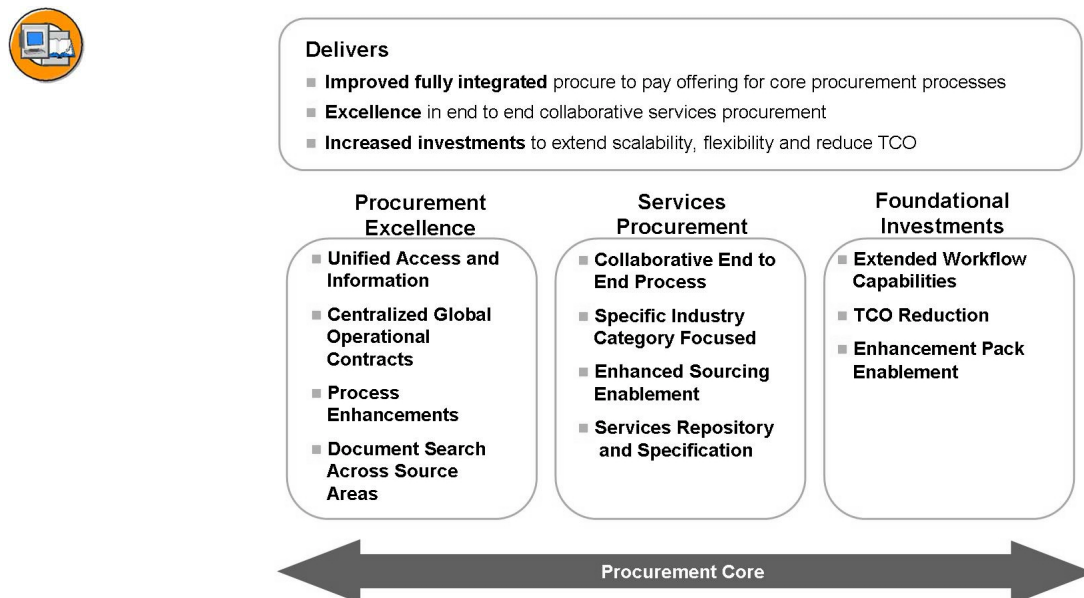


Figure 4: SRM 7.0 Procurement Stable Core

With SAP SRM, users throughout your enterprise have role-based access to the procurement information and processes they need regarding suppliers, contracts, and policy-compliant goods and services. You can assign activities to internal employees or external business partners. The user-friendly interface improves cross-enterprise visibility, facilitates procurement activities, and reduces costly training. The intuitive interface can be personalized for specific job and task demands, increasing efficiency and effectiveness and improving the overall user experience. As part of SAP Business Suite, SAP SRM provides a single, consolidated view of the procure-to-pay process including purchasing data from the SAP ERP application, which can be viewed as a single display via a personalized dashboard.



- ✓ User-friendly, personalized object worklist
- ✓ Harmonization of roles across the Business Suite
- ✓ Consolidated access to ERP and SRM business objects and queries
- ✓ Quick links to application services

The screenshot shows the SAP SRM 7.0 Unified Access and Information interface. The top navigation bar includes links for Home, Employee Self-Services, Purchasing, Strategic Purchasing, Component Planning, and Prototype Release (test). The main content area is divided into sections for 'Active queries' and 'Saved' documents. The 'Active queries' section lists various queries like Shopping Carts, Purchase Orders, and Purchase Order Responses. The 'Saved' section shows a table of saved documents with columns for Number, Name, Doc. Date, Status, Value, and Created On.

Number	Name	Doc. Date	Status	Value	Created On
10001343	PURCHASER1 01.12.2006 02:15	01.12.2006	Held	0,00	01.12.2006 01:15:59
10001333	PURCHASER1 30.11.2006 10:51	30.11.2006	Held	6,00	30.11.2006 09:51:39
10001153	PURCHASER1 10.11.2006 09:23	10.11.2006	Held	100,00	10.11.2006 08:23:13
10001110	PURCHASER1 09.11.2006 09:41	09.11.2006	Held	0,00	09.11.2006 08:41:31
10001049	SwoC_BMI	08.11.2006	Held	120,00	08.11.2006 13:32:32

Figure 5: SAP SRM 7.0 Unified Access and Information

The SAP SRM user interface is based on the SAP NetWeaver Portal and Web Dynpro technologies. It provides a clear and effective means of managing the divergent information required by the different users within an organization. The SAP NetWeaver Portal design features transparent and seamless integration by displaying information from many SAP SRM application sources in a single portal browser window. This means that from your SAP SRM Control Center (the starting point in the application), you have access to all SAP SRM applications that apply to your current work tasks.

Harmonization of Procure-To-Pay within the SAP Business Suite:

Procurement processes in your enterprise, from the creation of a purchase requisition or shopping cart up to payment, are optimally supported by the procure-to-pay scenarios that integrate functions of SAP Supplier Relationship Management (SAP SRM) and SAP ERP and allow you to leverage the strengths of both systems to optimize your procurement processes.

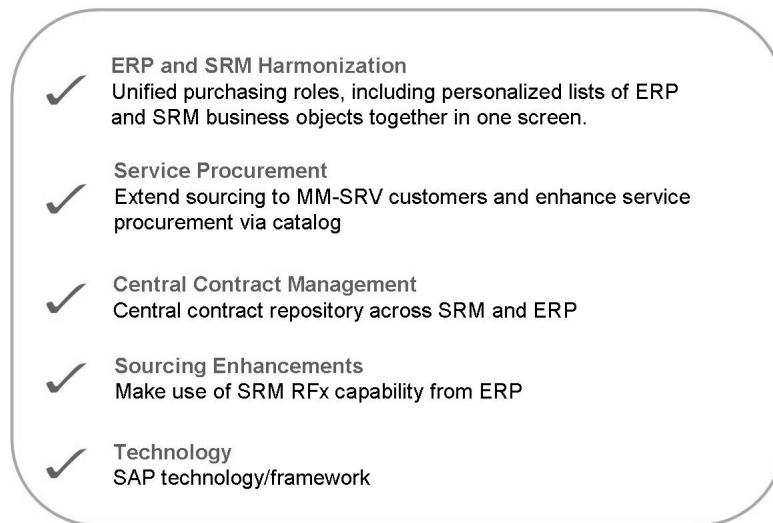


Figure 6: Business Suite Excellence in SRM 7.0

The following business scenarios specifically benefit from the harmonization:

Service Procurement: You can use the SAP SRM sourcing application to find sources of supply for service requirements that were created in SAP ERP materials management and have a hierarchical structure. Purchase orders and contracts can be created in SAP ERP, based on the RFx in SAP SRM. In addition, the supplier self-services (SUS) component allows suppliers to create service entry sheets and invoices for the services performed.

Central Contract Management: Central contracts are available as sources of supply in all connected SAP Business Suite systems. A central contract is negotiated by a central purchasing organization and can then be used as a source of supply by all authorized purchasing organizations.

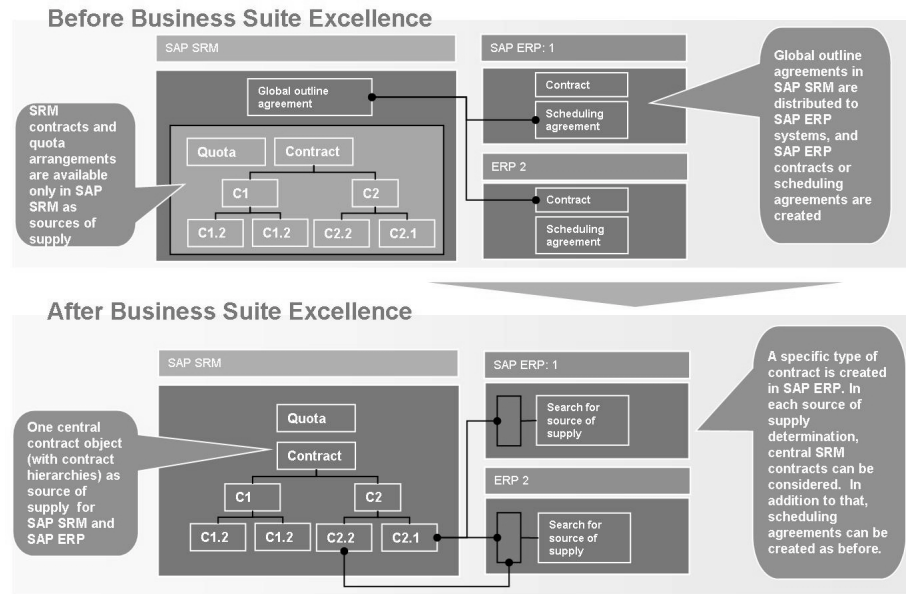


Figure 7: Central Contracts

Strategic Sourcing with RFx: From SAP ERP purchase requisitions, you can start the process of RFx creation in SAP SRM. The entire process is transparent to users, provided they have been assigned the harmonized role Operational Purchaser (ERP/SRM). In SAP ERP, users can display status information about the progress of the sourcing process within SAP SRM.



Note: This process is for material master or service master items.

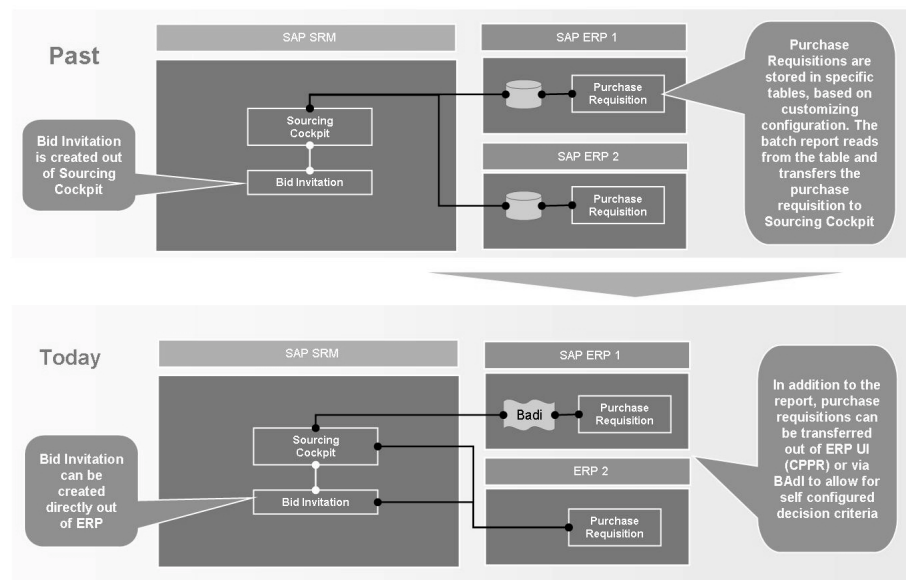


Figure 8: Sourcing Enhancements

Enterprise Services: Enterprise services provided by SAP are used for integrating procurement processes between SAP ERP and SAP SRM as of the SAP Business Suite 2008. Enterprise services are available in the sourcing, service procurement, and contract management areas, for example. This allows for flexible deployment and facilitates integration of partner or third-party tools.

- You are using the classic scenario.
- Your back-end system is SAP ERP 6.0 with enhancement package 04 or higher.
- In Customizing for SAP ERP, you have activated the business function Procurement – SRM Integration
- You are using SAP SRM 7.0, and in Customizing for SAP Supplier Relationship Management you have defined the SAP systems belonging to your SAP Business Suite system landscape
- You are using either the SAP NetWeaver Portal or the SAP NetWeaver Business Client as a single point of entry for users working with the harmonized scenarios running in SAP SRM and SAP ERP



End-to-End Value

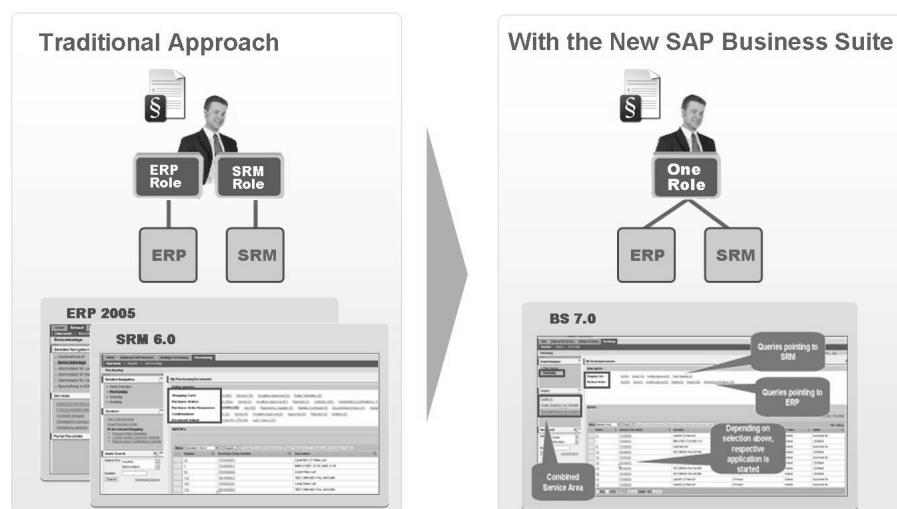


Figure 9: Harmonization of Roles Across SRM and ERP

Procurement Business Package for SAP ERP and SAP SRM

This business package contains harmonized roles for operational purchasers and strategic purchasers who work with purchasing documents in both SAP ERP and SAP SRM.

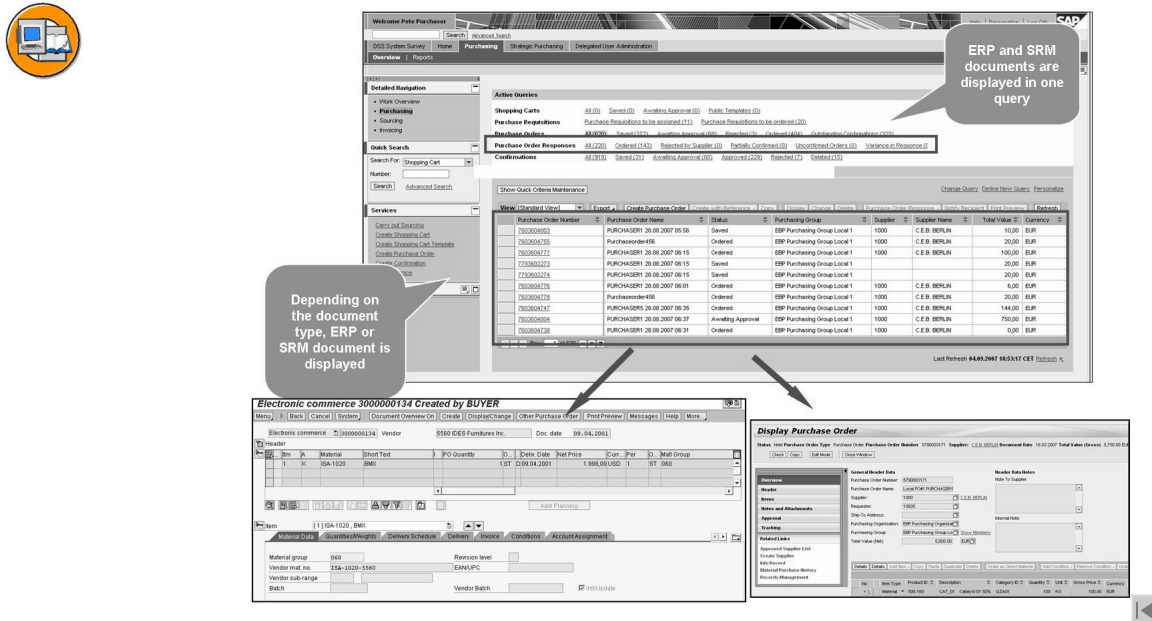


Figure 10: Harmonized UI via NetWeaver Portal

Using the Operational Purchaser (ERP/SRM) and Strategic Purchaser (ERP/SRM) roles, users have a single point of access to Personal Object Worklists (POWLs) and to services that allow them to create and process purchasing documents in either SAP SRM or SAP ERP.



- Offer a common ERP/SRM Business Package to be used for a multi-system landscape of ERP and SRM and build common unified purchasing roles (operational and strategic)
- Provide unified POWER lists displaying ERP and SRM business objects together in one screen
- Facilitate cross-system searching for purchasing documents
- Single point of entry for all purchasing-related activities, independent of which system single activities need to be performed in

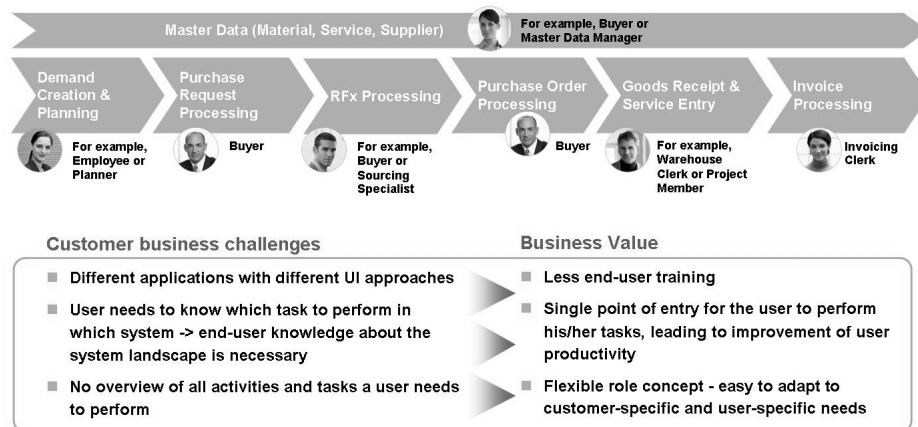


Figure 11: Common Purchasing Roles Across ERP and SRM

- The purchaser or strategic purchaser is working with procurement documents in several SAP ERP systems, but not in an SAP SRM system. For this purpose, you use the roles Operational Purchaser (ERP) and Strategic Purchaser (ERP).
- The purchaser or strategic purchaser is working with procurement documents in one or more SAP ERP systems and in an SAP SRM system. For this purpose, you use the roles Operational Purchaser (ERP/SRM) and Strategic Purchaser (ERP/SRM).

The harmonized procurement roles for SAP ERP and SAP SRM and related features:

- **Work Overview**, providing, for example, workflow items, alerts, notifications, and tasks for operational purchasers.
- **Purchasing Documents**, allowing operational purchasers to work with shopping carts in SAP SRM as well as purchase requisitions in SAP ERP. Purchasers can also access the Sourcing applications of SAP SRM or SAP ERP to complete incomplete documents and assign sources of supply. They can work with all purchase orders that are available, either in SAP ERP or SAP SRM, depending on where the documents were originally created, and they can access purchase order responses in SAP SRM.
- **Receiving**, allowing operational purchasers to specifically access purchase orders waiting for goods receipt and purchase orders waiting for service entry, as well as service entry sheets in SAP ERP. Purchasers can also work with purchase orders with pending confirmations in SAP SRM.

- **Invoicing**, allowing operational purchasers to work with SAP ERP and SAP SRM purchase orders waiting for invoices, as well as working with invoices in SAP ERP
- **Supplier Master Data**
- **Material Master Data**
- **Service Master Data**
- **Work Overview**, providing, for example, workflow items, alerts, notifications, and tasks for strategic purchasers.
- **Strategic Sourcing**, allowing strategic purchasers to work with requests for quotation in SAP ERP as well as RFx documents and auctions in SAP SRM.
- **Contract Management**, allowing strategic purchasers to work with contracts and scheduling agreements in the SAP ERP system as well as central contracts and quota arrangements in the SAP SRM system.
- **Workload Redistribution**
- **Business Partner**
- **Work Overview**, providing, for example, workflow items, alerts, notifications, and tasks for operational purchasers.
- **Purchasing Documents**, allowing operational purchasers to work with purchase requisitions and purchase orders in SAP ERP.
- **Receiving**, allowing operational purchasers to specifically access purchase orders waiting for goods receipt and purchase orders waiting for service entry, as well as service entry sheets in SAP ERP.
- **Invoicing**, allowing operational purchasers to work with purchase orders waiting for invoices as well as invoices in SAP ERP.
- **Supplier Master Data**
- **Material Master Data**
- **Service Master Data**
- **Work Overview**, providing, for example, workflow items, alerts, notifications, and tasks for strategic purchasers.
- **Strategic Sourcing**, allowing strategic purchasers to work with requests for quotation and info records in SAP ERP.
- **Contract Management**, allowing strategic purchasers to work with contracts and scheduling agreements in SAP ERP.

SAP ERP 2005 and SRM on Same Client

The SRM One Client is designed for customers that want a simple procurement scenario that do not currently use SAP SRM and have only one backend ERP system. This scenario does not off the same level of functionality for SRM systems that are deployed separately from the ERP system.

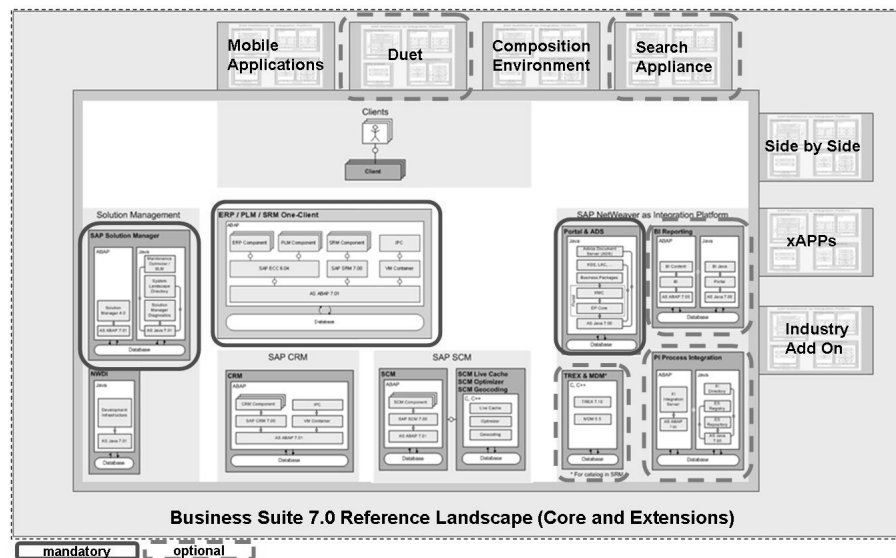


Figure 12: Business Suite 7.0: SRM on Same Client as ERP

The following Business Scenarios are available for SAP ERP 2005 and SRM on the same client:

- Self-Service Procurement in Classic deployment.
- Service Procurement: External Staffing: The whole scenario is run in SRM in Standalone deployment
- Supplier Collaboration with Supplier Self-Services: both SRM-SUS connection and MM-SUS connection.



SRM One Client is and will be available with the following release combinations:

	ERP 6.0 with ENHANCEMENT PACKAGES					
	EhP 0	EhP 1	EhP 2	EhP 3	EhP 4	EhP 5
SRM 5.0 NW 7.00	✓	✓	✓	✓	-	-
SRM 5.0 NW 7.01	-	-	-	-	✓ <small>See SAP Note 1168562</small>	-
SRM 6.0	-	-	-	-	-	-
SRM 7.0	-	-	-	-	✓	✓

- Upgrade from SRM 5.0 as One Client deployment to SRM 7.0 as One Client deployment is supported.
- SRM 6.0 is not delivered as One Client deployment to ERP.
- ERP 6.0 with EHP4 is mandatory for an Upgrade to SRM 7.0

Figure 13: Release Strategy for SRM One Client

The following deployment and migration constraints apply to the One Client scenario:

- SAP ERP 6.0 with SAP SRM in one client with SAP ERP does not support any multiple-backend functions or hub deployment for procurement
- Upgrade or migration from an existing (separate) SAP SRM system to SAP ERP 6.0 with SAP SRM in one client on SAP ERP is not supported.
- SAP does not offer migration paths from a SAP SRM one client installation to an installation with a standalone SAP SRM system.
- The extended classic deployment mode is not supported.

SRM Application and Technology Components

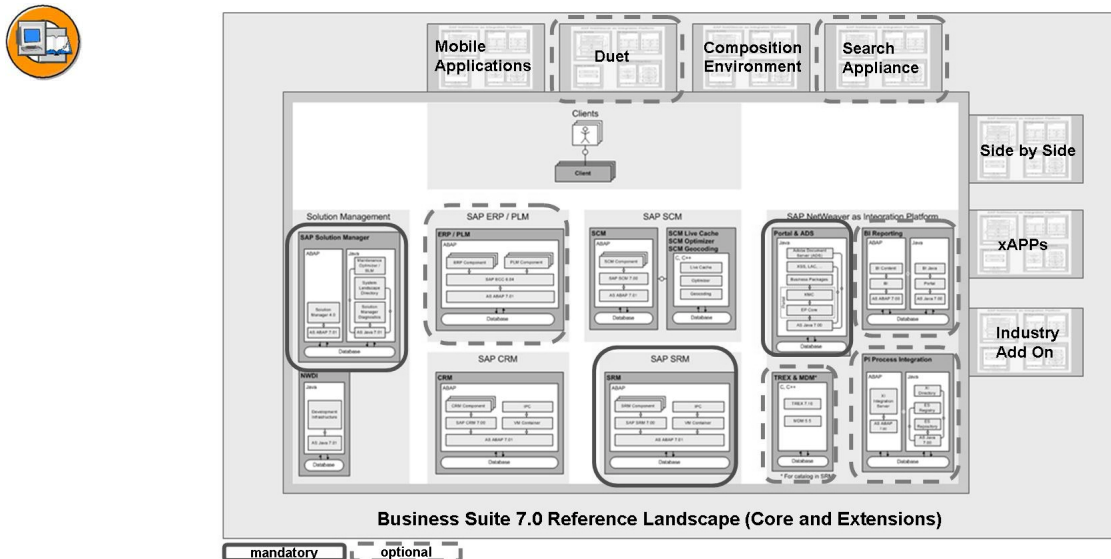


Figure 14: Business Suite 7.0: SRM Landscape

This section provides additional information about the primary application and technology components that comprise SAP SRM 7.0.

- **SAP Supplier Relationship Management Server**

The SAP Supplier Relationship Management Server (SAP SRM Server) includes both SAP SRM and SAP Bidding Engine. SAP SRM is based on SAP NetWeaver Application Server (AS) and is an application and database instance installation released on several database and operating system platforms

- **SAP Bidding Engine**

Purchasers can use SAP Bidding Engine to create and process RFx, and bidders can use SAP Bidding Engine to submit bids in response to these RFx. Both purchasers and bidders can use reverse auction functions in a separate Live Auction application. Purchasers can define rules for bidding and bidders can submit bids in real time.

- **Online Transaction Processing System**

An online transaction processing system (OLTP), for example, SAP ERP system, is used in the SAP SRM environment as a back-end system for materials management and financials. Data is exchanged between the SAP SRM system and a connected OLTP system. The SAP SRM system can be installed without an OLTP back-end in a standalone configuration. If an SAP ERP system is used as an OLTP system, the plug-in supports data exchange in SAP SRM as well as in other SAP software units.

- **SAP NetWeaver Business Intelligence**

Business Intelligence (BI) provides infrastructure for:

- Data warehousing
- A range of analytical technologies and functions
- Web-based reporting and analysis
- Information Broadcasting for distributing BI content by e-mail or by the workset, either as precalculated documents with stored data, or as links with live data
- Open analysis interfaces that make available various interfaces for connecting front-end tools of third-party providers
- Web design API allowing for the implementation of highly individualized scenarios as well as more demanding applications containing customer-defined interface elements

BI is the foundation for the SRM scenario Spend Analysis, and can be installed for the others. BI includes the complete ABAP stack of the SAP NetWeaver BI data warehouse and BI platform units. BI requires AS-ABAP as prerequisite in the same system. Usually, scenarios running on BI also require BI-Java, AS-Java, and SAP Enterprise Portal. Other combinations can be used in one system as well.

- **SAP NetWeaver Enterprise Portal**

SAP NetWeaver Portal serves as a single point of entry to the applications, services, and information of the organization. Running an Enterprise Portal is an IT scenario providing role-based and secure access to all types of applications, services, and information in an enterprise workset environment. Customers can benefit from the numerous predefined business packages available to them, or they can create their own content.

- **Live Auction Cockpit Web Presentation Server**

Live Auction Cockpit Web Presentation Server is a J2EE-based software unit comprising a virtual auction floor for reverse auctions, real-time monitoring, real-time bidding, a tight integration to all procurement processes, and a state-of-the-art user interface.

- **SAP NetWeaver 7.0 Search and Classification (TREX)**

SAP NetWeaver Search and Classification (TREX) offers an integrated set of services. TREX services include search and retrieval in large document collections, text mining, automatic document classification, and search and aggregation over structured data in SAP applications. TREX can handle text from documents in numerous formats, including Microsoft Office and Adobe formats (PDF), and more than 30 languages. TREX search options, such as exact, Boolean, fuzzy, or linguistic search, and classification options such as query-based or example-based classification, offer users great power and flexibility.



Note: To use the SAP NetWeaver Enterprise Search application (Embedded Search), the installation of SAP NetWeaver Search and Classification (TREX) 7.1 is required.

- **SRM-MDM Catalog**

The SRM-MDM Catalog is based on SAP NetWeaver Master Data Management (MDM) technology. It combines SAP MDM Server 7.1 with a Java-based and SRM-specific search environment.

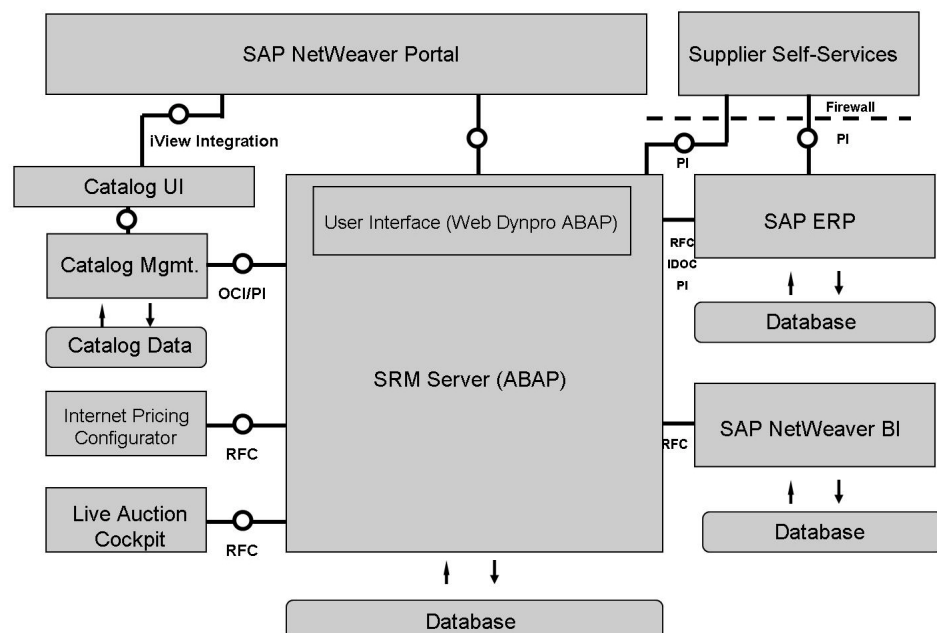


Figure 15: SRM Architecture Overview

- **SAP NetWeaver Process Integration**

SAP NetWeaver Process Integration (PI) comprises core components for modeling, designing, automating, and integrating the processes of one or more application systems. SAP PI also contains core components for Business Process Management for application-embedded and application-unbounded processes.



Note: Separate licensing is required for SAP NetWeaver Process Integration if SAP SRM is used to connect with non-SAP systems, or with external trading partners.

- **SAP GUI**

The latest release of the SAP GUI software (such as SAP GUI 6.20) can be used with all the previous SAP component releases. Consequently, older SAP systems can also benefit from the features that are only available in the newer SAP GUI releases, such as support for Windows XP.

- **SAP R/3 Plug-In**

The SAP R/3 Plug-In is an interface for exchanging data between one or several SAP R/3 systems and other SAP components. The SAP R/3 Plug-In supplies the SAP components with transaction data and master data in real time. With it SAP application components like SAP CRM can be linked with certain industry-specific components. All SAP-industry-specific components based on SAP R/3 4.7 and higher SAP R/3 releases require an SAP R/3 Plug-In. The SAP R/3 Plug-In is an add-on to SAP R/3.

SAP R/3 Plug-Ins are shipped with SAP application components (for example, SAP BI, SAP CRM) and with industry-specific SAP components based on SAP R/3 4.7 or higher SAP R/3 releases. You can order the most recent SAP R/3 Plug-In releases free of charge or download them from the SAP Service Marketplace.

Depending on the combination of the SAP R/3 Plug-In release and version and the SAP R/3 release, certain SAP R/3 support package levels are required for installing the SAP R/3 Plug-In.

- **SAP NetWeaver Application Server**

Application Server (AS) is the application platform of SAP NetWeaver and, consequently, of the SAP Business Suite. It provides the technological foundation for all other SAP software units. Since AS comprises the ABAP Engine, Java Engine or both, it can provide a runtime environment for both ABAP and Java applications.

SAP Solution Manager

SAP provides the SAP Solution Manager as the platform for efficiently supporting the implementation and operation of your SAP solution. SAP Solution Manager significantly accelerates the implementation process, and helps you achieve your business goals. It contains predefined implementation content (Customizing activities and transactions, as well as documentation and SAP Notes) to help you configure your SAP SRM solution. In addition, SAP delivers support services based on the business scenarios designed and documented in SAP Solution Manager.

The use of SAP Solution Manager is mandatory for SAP SRM. When you install SAP SRM Server 7.0 or upgrade to this release, you are prompted to enter a key generated by the Solution Manager. Without this key, the installation or upgrade process cannot continue. For more information, see the installation or upgrade guide for SAP SRM Server 7.0.

In SAP SRM 7.0, the SAP Solution Manager contains standard implementation content for the business scenarios, covering all key capabilities of the SAP SRM Solution Map. This enables a fast implementation of the entire solution in units of business processes.

- Documentation of core business processes that are changed or implemented during Ramp-Up
- Plan your Solution Landscape
- Connection of existing systems and activation of SAP EarlyWatch Alert
- Setup Solution Manager Diagnostics for root cause analysis of Java components
- Handover of processes and systems to support organization after Go Live
- Configuration of your scenario according to the documentation contained in SAP Solution Manager

Exercise 1: SRM Components

Exercise Objectives

After completing this exercise, you will be able to:

- Differentiate between the different software components that make up SAP SRM

Business Example

As a project team member, you need to clearly understand the software components in SAP SRM and their related functionality.

Task: SRM Software Components

Identify the SAP SRM software components

1. Which SAP SRM software component allows you to analyze data from SRM, other SAP applications, other business applications, and external data sources?

Choose the correct answer(s).

- ☐ A Internet Pricing Configurator
- ☐ B SAP Bidding Engine
- ☐ C SAP NetWeaver Portal
- ☐ D SAP Web Application Server
- ☐ E SAP Business Information Warehouse

2. Suppliers can access this SAP SRM component from a Web browser to receive POs created in SAP SRM or SAP ECC.

Choose the correct answer(s).

- ☐ A SAP Bidding Engine
- ☐ B SAP Process Integration
- ☐ C SAP Supplier Self-Services
- ☐ D Catalog Content Management

Continued on next page

3. This SAP SRM component enables you to integrate different versions of SAP and non-SAP systems and to exchange XML documents between business partners.
Choose the correct answer(s).
- ☐ A SAP SRM
 - ☐ B SAP Process Integration
 - ☐ C SRM Connector
 - ☐ D Content Integrator
 - ☐ E Catalog Content Management
4. _____ offers a single point of access to information, enterprise applications, and services both in and outside your organization.
Fill in the blanks to complete the sentence.
5. SAP SRM can only be integrated with one ERP system, which must be SAP ECC.
Determine whether this statement is true or false.
- ☐ True
 - ☐ False
6. Purchasers can use the _____ to create and process bid invitations and live auctions for products and services.
Fill in the blanks to complete the sentence.

Solution 1: SRM Components

Task: SRM Software Components

Identify the SAP SRM software components

1. Which SAP SRM software component allows you to analyze data from SRM, other SAP applications, other business applications, and external data sources?

Answer: E

SAP Business Information Warehouse is the SRM component used for reporting and analysis. SAP BI reports can be executed from within SAP SRM, Supplier Self-Services, and SAP NetWeaver Portal, depending on the role of the user.

2. Suppliers can access this SAP SRM component from a Web browser to receive POs created in SAP SRM or SAP ECC.

Answer: C

Supplier Self-Services (SUS) allows suppliers without EDI or XML document exchange capabilities to participate in e-commerce by accessing a hosted environment using only a Web browser.

3. This SAP SRM component enables you to integrate different versions of SAP and non-SAP systems and to exchange XML documents between business partners.

Answer: B

The SAP Process Integration (SAP PI) enables you to implement cross-system business partners.

4. SAP NetWeaver Portal offers a single point of access to information, enterprise applications, and services both in and outside your organization.

Answer: SAP NetWeaver Portal

5. SAP SRM can only be integrated with one ERP system, which must be SAP ECC.

Answer: False

SAP SRM can be integrated with multiple ERP systems, either SAP ECC or non-ECC.

6. Purchasers can use the SAP Bidding Engine to create and process bid invitations and live auctions for products and services.

Answer: SAP Bidding Engine



Lesson Summary

You should now be able to:

- Explain the SAP Business Suite
- Describe the main features of SAP Supplier Relationship Management
- Describe the SRM Application and Technology Components

Lesson: SAP SRM Scenarios

Lesson Overview

This lesson provides an overview of the SRM Business and Deployment scenarios.



Lesson Objectives

After completing this lesson, you will be able to:

- Explain the different SRM Deployment scenarios
- Explain the SRM Business scenarios
- Describe the roles utilized in different business scenarios
- Understand SAP Procurement for Public Sector

Business Example

You need to identify the Deployment and Business scenarios of SRM that will best meet your company's requirements.

SAP SRM Deployment Scenarios

SAP SRM is a solution that you can implement in a heterogeneous system environment that includes SAP systems and/or other enterprise resource planning systems as backend systems. You must have the Financial Accounting and Controlling components in your system environment. There are different business scenarios that you can apply depending on your role as a user and the kind of business you wish to conduct using SAP SRM. Each of these business scenarios can be deployed using one of four different technical scenarios.



Self-service procurement capabilities support different deployment options, depending on the company's needs

Classic scenario

- SAP SRM supports primarily the creation of a user's shopping cart from catalogs

Extended classic scenario

- The majority of the purchasing process tasks are performed within SAP SRM (providing document copies in the back-end software)

Stand-alone scenario

- Back-end integration is used only to update the underlying financial systems



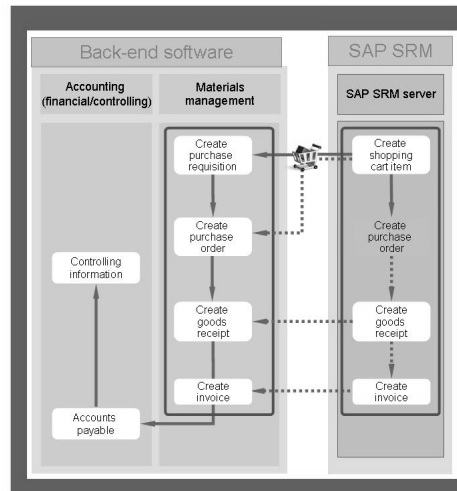
Figure 16: SRM Deployment Scenarios

The scenarios you choose depends on the system in which your purchasing department wants to work and, consequently, where the follow-on documents are to be created.

You can also run these scenarios in parallel. To do this you choose, on the basis of the product category, how you want the goods or services to be processed. This suits customers who already have a productive materials management backend system, but wish to handle the procurement of some supplies locally and others within the backend system. This makes sense, for example, if you have already defined a communication interface, such as EDI, to a particular supplier.

The Classic Integration Scenario

The shopping cart is created and approved in SAP SRM. The remainder of the procurement process take place in the backend ERP system(s) and all other follow-on documents, such the purchase order, goods receipt/service entry sheet and invoice, are located there. With SAP Supplier Self-Services, you have supplier involvement for the operational procurement business scenarios when buying materials or services.



The classic integration scenario supports end users in retrieving desired goods and services from predefined catalogs

- The back-end software is the leading application for the PO document and subsequent documents
- Goods receipt or invoice creation can take place in SAP SRM

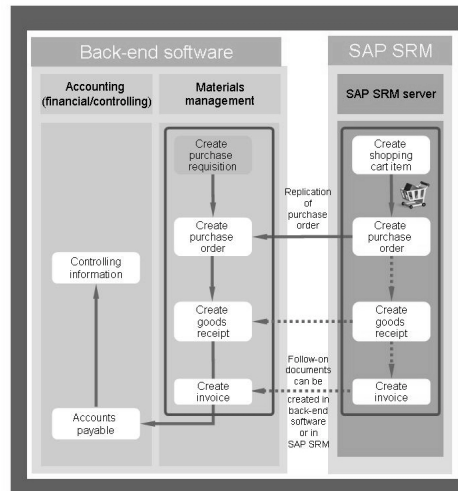
Figure 17: Classic Integration Scenario

This scenario suits customers:

- Who want a wide user group, for example employees not necessarily working in the purchasing department, to be able to enter their requirements quickly and easily. SAP SRM's functionality and ease of navigation allow this, as it requires only minimal training
- Who want their purchasing department to operate solely with the functionality offered by the backend system(s)
- For whom a transfer of purchasing activities to SAP SRM is not viable

The Extended Classic Integration Scenario

The shopping cart is created in SAP SRM. The purchase order and follow-on documents are also created there and then replicated to the backend system. The purchase order in SAP SRM is the leading purchase order and cannot be changed in the backend system. Goods receipts and invoices can be pre-entered in SAP SRM or entered directly in the backend system. With SAP Supplier Self-Services, you have partial supplier involvement for all your operational procurement scenarios. In these scenarios, you have supplier involvement for the purchase order and the purchase order response.



The extended classic integration scenario supports the end-to-end procurement cycle in SAP SRM; a copy of the necessary documents is stored in the back-end software

- SAP SRM is the leading application for the PO document and subsequent documents
- A copy is maintained in the back-end software
- Changes can only be made to the PO in SRM. The changes are then replicated to the copy in the back-end
- Users of the back-end software have full visibility, even without touching SAP SRM
- Goods receipt or invoice creation can take place in SAP SRM or the back-end

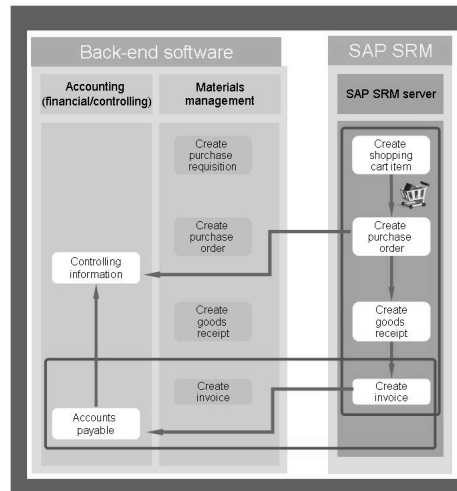
Figure 18: Extended Classic Integration Scenario

This scenario suits customers:

- Who want their purchasing department to save time and money by using the streamlined purchasing functionality of SAP SRM
- Who want to use the full sourcing capabilities offered by SAP SRM, yet who also want to be able to confirm and invoice direct materials
- Who want the flexibility of being able to pre-enter confirmations and invoices in SAP SRM

The Standalone Integration Scenario

The shopping cart and purchase order are processed directly in SAP SRM. You have no materials management functions in your ERP system and, instead, use those in SAP SRM for all procurement processes. The final invoice is sent to a backend accounting system. With SAP Supplier Self-Services, you have complete supplier involvement for all your operational procurement scenarios.



The stand-alone integration scenario supports back-end software integration that is required only to keep the underlying financial systems synchronized

- SAP SRM is the leading application for the PO document and subsequent documents
- All tasks and activities take place within SAP SRM
- Purchasing invoices are posted to the underlying accounts payable system

Figure 19: Standalone Scenario

This scenario suits customers:

- Who do not have a productive materials management system and want to handle the entire process locally within SAP SRM, integrating only to an accounting system
- Who do not necessarily want to create product master data, but rather allow suppliers to maintain their own product data in their catalog, thus relieving the purchasing department of content management responsibilities
- Who want to alleviate the backend system of all purchasing activities by transferring a specific group of users to SAP SRM
- Who want to use the streamlined purchasing functionality of SAP SRM for specific product categories, typically, indirect materials, and services
- Who want to use Procurement Cards to order items in SAP SRM.

The following table gives an overview of the differences between each of these scenarios in terms of where the main processes occur:

SRM Deployment Scenarios

	Classic	Extended Classic	Standalone
Shopping Cart	SAP SRM	SAP SRM	SAP SRM
Approval	SAP SRM	SAP SRM	SAP SRM

Purchase Order	Backend system	SAP SRM (leading system) and backend system	SAP SRM
Goods Receipt	Backend system (can be pre-entered in SAP SRM)	Backend system (can be pre-entered in SAP SRM)	SAP SRM (no accounting posting made in backend system)
Invoice	Backend system (can be pre-entered in SAP SRM)	Backend system (can be pre-entered in SAP SRM)	SAP SRM (accounting information sent to backend system)

SAP SRM Business Scenarios

SRM can be implemented using different business scenarios, whereby SAP SRM represents the central procurement system.



Purchasing Governance	Global Spend Analysis		Category Management		Compliance Management	
Sourcing	Central Sourcing Hub		RFx / Auctioning		Bid Evaluation & Awarding	
Contract Life-Cycle Management	Contract Authoring		Contract Negotiation		Contract Execution	
					Contract Monitoring	
Collaborative Procurement	Self-Service Procurement		Services Procurement		Direct / Plan-Driven Procurement	
					Catalog Content Management	
Supplier Collaboration	Web-based Supplier Interaction		Direct Document Exchange		Supplier Network	
Supply Base Management	Supplier Identification & Onboarding		Supplier Development & Performance Management		Supplier Portfolio Management	

SAP NetWeaver

Figure 20: SAP SRM 7.0 Solution Map

Self-Service procurement: Classic Scenario

Your employees can use this business scenario to create and manage their own requisitions. This relieves your purchasing department of a huge administrative burden while making the procurement process faster and more responsive. In this scenario, only the shopping cart is created in the SAP Supplier Relationship Management (SAP SRM) system. All other procurement documents, such as purchase orders, goods receipts, and invoices, are located in the back-end system. The Self-Service Procurement (Classic) business scenario comprises these process steps:

The Self-Service Procurement (Classic) business scenario comprises these process steps:

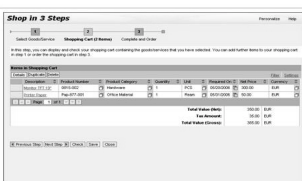
1. Processing Shopping Carts
2. Processing Purchase Requisitions in SAP ERP
3. Processing Purchase Orders in SAP ERP
4. Inbound Processing and Receipt Confirmation with Warehouse Management
5. Verifying Logistics Invoices Online/In Background
6. Analyzing Self-Service Procurement



Note: The steps in this process can vary depending on your business processes and requirements.



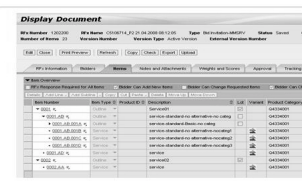
Self-Service Procurement



- Easy to Use Self-Service Procurement
- Compliance to Purchasing Policies
- Reduce Cycle Times

More Efficient, Reduced Purchasing Cycle

Supplier Collaboration



- Automate Supplier Connectivity
- Confirmation of Delivery
- Visibility into Transaction Status

Fast, Reliable, Collaborative

Figure 21: Self-Service Procurement and Supplier Collaboration

Self-Service Procurement: Extended Classic Scenario

Your employees can use this business scenario to create and manage their own requisitions. This relieves your purchasing department of a huge administrative burden, while making the procurement process faster and more responsive. In this scenario, shopping carts and purchase orders are created in the SAP Supplier Relationship Management (SAP SRM) system, and are then replicated to the back-end system. The purchase order in SAP SRM is the leading purchase order; it cannot be changed in the back-end system. Goods receipts and invoices can be pre-entered in SAP SRM or entered directly in the back-end system. Sourcing, pricing, and tax determination take place in SAP SRM.

The Self-Service Procurement (Extended Classic) business scenario comprises these process steps:

1. Processing Shopping Carts
2. Searching for Sources of Supply Centrally
3. Processing Purchase Orders in SAP SRM
4. Inbound Processing and Receipt Confirmation without Warehouse Management
5. Confirming Receipt of Inbound Goods in SAP SRM or ERP.
6. Processing Invoices in SAP SRM or ERP.
7. Verifying Logistics Invoices (Online/In Background)
8. Analyzing Self-Service Procurement



Note: The steps in this process can vary depending on your business processes and requirements.

Plan-Driven Procurement with Plant Maintenance

You can use this business scenario to process requirements that have been generated in systems other than SAP SRM. In a highly integrated procurement process, demand for products can come from several different planning systems that reside outside of SAP SRM, such as material requirements planning (MRP) systems for production planning, automated production systems (APS) for advanced, constraint-based planning, project systems for project planning, or plant maintenance systems for maintenance and repair planning. Plan-Driven procurement is especially important for the procurement of direct materials. Demand from production is transferred to SAP SRM using an open XML interface. Within SAP SRM, a contract can be automatically assigned to the demand and a purchase order sent out.



Operational procurement is integrated with existing supply chain management, plant maintenance, and project management solutions for compliance enforcement, process, and supplier selection efficiency

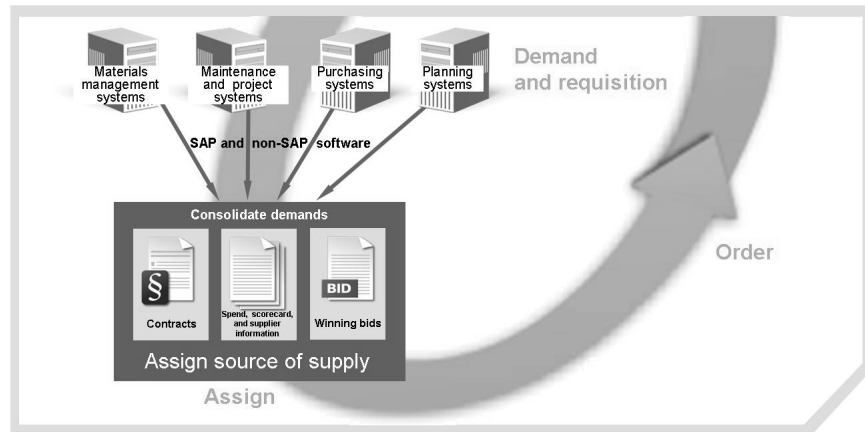


Figure 22: Plan-Driven Procurement

The Plan-Driven Procurement with Plant Maintenance business scenario comprises these process steps:

1. Processing Purchase Requisitions in SAP ERP
2. Searching for Sources of Supply
3. Processing Purchase Orders in SAP SRM
4. Receipt Confirmation without Warehouse Management
5. Receipt Confirmation with Warehouse Management
6. Processing Leasing Invoices in SAP SRM
7. Verifying Logistics Invoices in Background
8. Verifying Logistics Invoices Online
9. Processing Evaluated Receipt Settlements (ERS) in SAP ERP
10. Analyzing Plan-Driven Procurement



Note: The steps in this process can vary depending on your business processes and requirements.

Plan-Driven Procurement with Supplier Integration

You can use this business scenario to procure direct materials with SAP Materials Management (SAP MM) and, at the same time, to integrate your suppliers into this process. If necessary, you can connect multiple supplier systems to your procurement system. This allows you, as a buyer, to collaborate with your suppliers, using the web-based tool SAP SRM Supplier Self-Service, starting with the purchase order via shipping notification to the invoice.

The Plan-Driven Procurement with Supplier Integration business scenario comprises these process steps:

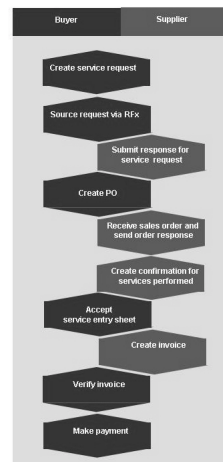
1. Processing Purchase Requisitions in SAP ERP
2. Processing Purchase Orders in SAP ERP
3. Processing Delivery Schedules
4. Processing Sales Orders in SRM-SUS
5. Processing Shipping Notifications
6. Receipt Confirmation without Warehouse Management
7. Receipt Confirmation with Warehouse Management
8. Processing Invoices in SAP SRM
9. Verifying Logistics Invoices in Background
10. Verifying Logistics Invoices Online
11. Processing Evaluated Receipt Settlements (ERS) in SAP ERP
12. Analyzing Plan-Driven Procurement
13. Performing Order Collaboration Using Supplier Network



Note: The steps in this process can vary depending on your business processes and requirements.

Service Procurement: Classic Scenario

You can use this business scenario to cover the entire service procurement process using structured service requirements for external procurement. A purchase requisition is created in SAP Materials Management (SAP MM) and sent to Sourcing in SAP Supplier Relationship Management (SAP SRM), where it is converted to an RFx. Response modifications are allowed.



Purchase requisition with hierarchical service structures can be transferred to SAP SRM to use sourcing functionalities such as demand aggregation and sourcing through RFx event

Key features

- Support for hierarchical definition of services
- Response modification based on preceding requirement
- Allowing modification of (addition to) original service structure
- Back-end PO creation and fulfillment of initial purchase requisition based on SAP SRM quote, including modified items
- Catalog integration

Display Document

Number	130200	File Name	C:\SF\14\21_24_26.008.00.12.05	Type	Doc Inhibition-MISCV	Status	Saved
Number Date		Version Number		Version Type	Active Version	External Version Number	

RFI Information	Remarks	Notes and Comments	Insights and Quotes	Approval	Tracking
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Item Number	Item Name	Type	Product ID	Description	Unit	Vendor	Product Category
* 0001.00.00	Service	Supplier		service delivered on alternative on-call			GA24001
* 0001.00.00.00	Service	Supplier		service delivered On-call			GA24001
* 0001.00.00.00.00	Service	Supplier		service delivered On-call			GA24001
* 0001.00.00.00.00.00	Service	Supplier		service delivered on alternative on-call			GA24001
* 0001.00.00.00.00.00.00	Service	Supplier		service delivered on alternative on-call			GA24001
* 0001.00.00.00.00.00.00.00	Service	Supplier		service			GA24001

Figure 23: Service Procurement: Classic Scenario with Sourcing

The Service Procurement (Classic) business scenario comprises these process steps:

1. Purchase Requisition with Service Directories
2. Searching for Sources of Supply Centrally
3. Processing RFx Events
4. Evaluating RFx Responses
5. Processing Follow-On Documents
6. Processing Purchase Orders in SAP ERP
7. Processing Sales Orders in SUS
8. Entering Services in SAP SRM
9. Entering Services in SAP ERP
10. Processing Invoices
11. Verifying Logistics Invoices in Background
12. Verifying Logistics Invoices Online
13. Processing Evaluated Receipt Settlements (ERS) in SAP ERP
14. Analyzing Service Procurement



Note: The steps in this process can vary depending on your business processes and requirements.

Service Procurement: External Staffing

You can use this business scenario to cover the entire service procurement process for External Staffing. The process starts when you send your request to the supplier. A purchase order is created, times and expenses are entered in the system, and an invoice is created. You can interact with your suppliers by connecting a supplier system like supplier self-services (SUS) to your procurement system. Your service providers can then enter services performed and create invoices for these services. All documents created by your suppliers have to be approved by an internal employee.

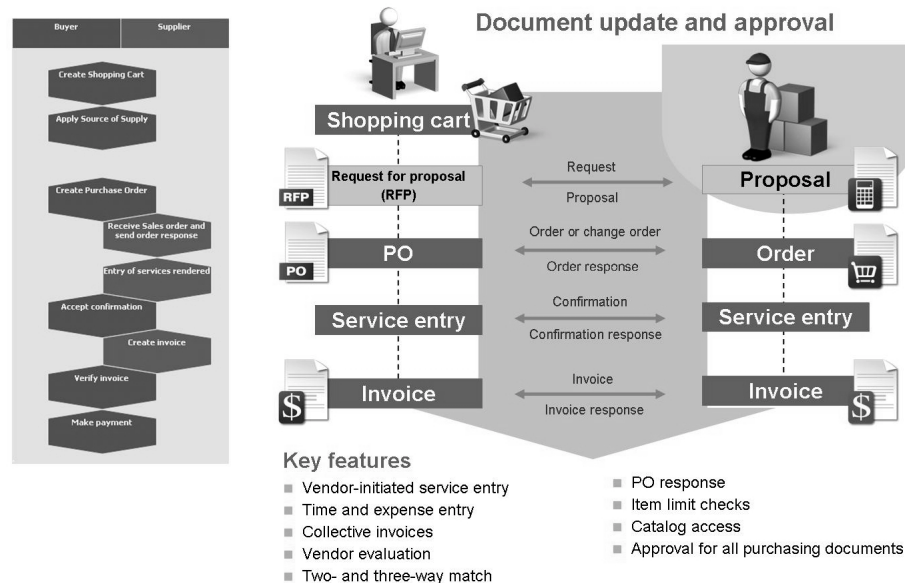


Figure 24: External Staffing with Supplier Collaboration

The Service Procurement External Staffing business scenario comprises these process steps:

1. Requesting External Staff
2. Processing Shopping Carts
3. Processing Purchase Orders in SAP SRM
4. Processing Sales Orders in SUS
5. Entering Services in SAP SRM
6. Processing Invoices in SAP SRM
7. Processing Evaluated Receipt Settlements (ERS) in SAP SRM
8. Carrying Out Third-Party Rebilling
9. Analyzing Service Procurement



Note: The steps in this process can vary depending on your business processes and requirements.

Catalog Content Management

You can use this business scenario to import and manage product content, make this content available in an MDM data repository, and access it via the Web browser in your SAP Supplier Relationship Management (SAP SRM) procurement processes.

The business processes run as follows:

1. Managing Content in SRM-MDM Catalog
2. Searching in Catalog Data

Spend Analysis

You can use this business scenario to analyze the expenditure of your company, using data from a wide range of heterogeneous systems as well as from all relevant business units and areas. SAP Supplier Relationship Management (SAP SRM) uses the business intelligence features of SAP NetWeaver to access connected systems, and extract the information needed to gain insight into spending practices across the entire corporate group. The reports cover spending for direct and indirect material, as well as for services. You can also configure your system to provide the following:

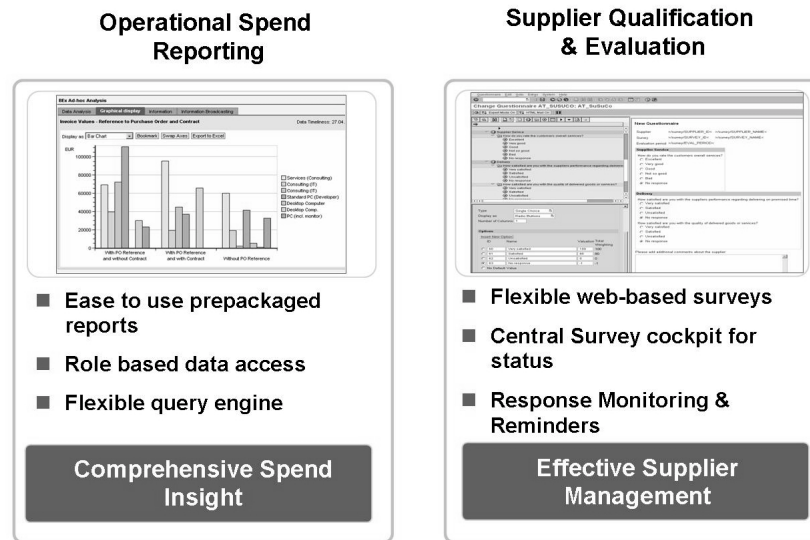


Figure 25: Operational Spend Reporting & Supplier Qualification

1. Capture of spend for procurement documents without any purchase order (PO) reference or other detailed information about the procurement
2. Harmonization of master data for reporting purposes, allowing for identification of duplicate suppliers and assignment of product to standard classification schemas such as the United Nations Standard Products and Services Code (UNSPSC) and eCl@ss. The harmonization can be done either by using SAP NetWeaver Business Intelligence (SAP NetWeaver BI) Local Master Data Alignment (for limited data volumes), or by integration of SAP NetWeaver BI with the SAP Master Data Management (SAP MDM) application.

With these features, SAP SRM provides you with a clear view of procurement costs and supply-base data by highlighting consolidated spend volume, supplier redundancies, and demand aggregation opportunities.

The Spend Analysis business scenario comprises these process steps:

1. Consolidating Master Data Using BI Master Data Alignment
2. Consolidating Master Data Using SAP MDM
3. Analyzing Spend



Note: The steps in this process can vary depending on your business processes and requirements.

Supplier Evaluation

You can use this business scenario to evaluate your suppliers on the basis of Web-based surveys. To meet your specific requirements, you can configure individual surveys and questionnaires, select the criteria that you want to evaluate, and stipulate when the evaluation is to take place. After the data has been

transferred to SAP NetWeaver Business Intelligence (SAP NetWeaver BI), several reports are available to help you to analyze the results, select suitable suppliers and negotiate best conditions. With the Supplier Survey Cockpit, you can create and distribute surveys. You can monitor incoming responses and send reminders to those who did not reply.



With the supplier evaluation process, performance data can be captured, consolidated, and presented across the enterprise

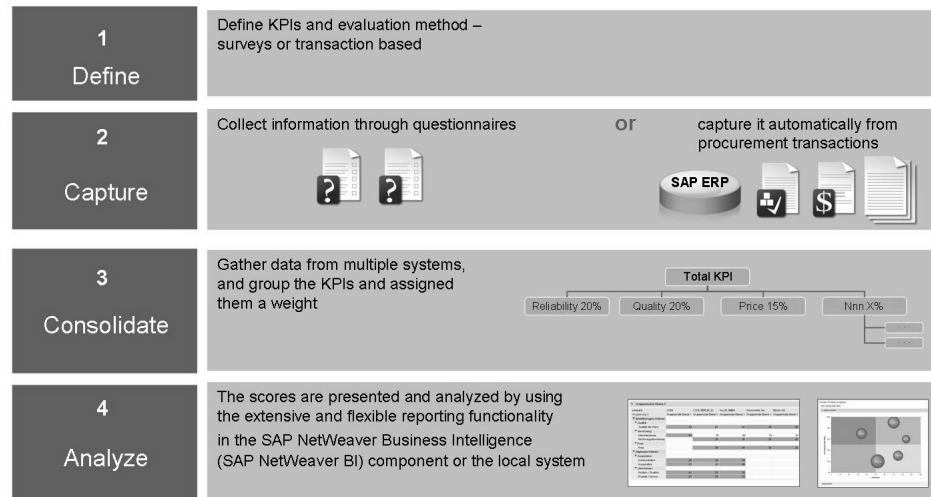


Figure 26: Supplier Evaluation Process

SAP Supplier Evaluation is also integrated into the following SAP Supplier Relationship Management (SAP SRM) applications:

- Confirmation
- Invoice
- Supplier List

SAP Supplier Evaluation is used with the confirmation and invoice applications to evaluate day-to-day activities on the basis of operational documents. You can also use this scenario with the supplier list to improve the strategic and long-term supplier relationships.

The following business process runs in SAP NetWeaver BI:

- Evaluating and Monitoring of Supplier Performance

Operational Contract Management

You can use this business scenario to access SAP Supplier Relationship Management (SAP SRM) contract features, such as contract hierarchies, discount across contract hierarchies, and grouping logic, when determining source of supply in SAP ERP. You can create a central contract in SAP SRM, and it can then be used as source of supply in both SAP SRM and SAP ERP. Relevant data is sent

to SAP ERP for a source of supply determination, and a specific type of contract or scheduling agreement can be created there. While determining a source of supply, you can access central contracts directly. The price is determined in SAP SRM before the SAP ERP PO is sent to the supplier. You can create and change central contracts and renegotiate existing contracts directly with a supplier, or through the creation of an RFx. You can automatically assign a contract as a source of supply, or it can be listed as one of numerous potential source of supply contracts. A strategic purchaser can create a contract whenever they anticipate a long-term relationship with a supplier. Contract management enables purchasers from various parts of the company at different locations to take advantage of the terms of globally-negotiated contracts for specific product categories. You can provide users with specific levels of authorization to contracts, and you can categorize documents as confidential. You can distribute central contracts to release-authorized purchasing organizations, and these organizations can then use them as source of supply in the appropriate SAP ERP system. Hierarchies can be used to organize, structure, display, and search for contracts. If you use SAP NetWeaver Business Intelligence (SAP NetWeaver BI), you can view various consolidated reports of contract management. For example, you can view aggregated value released against all contracts in a contract hierarchy.

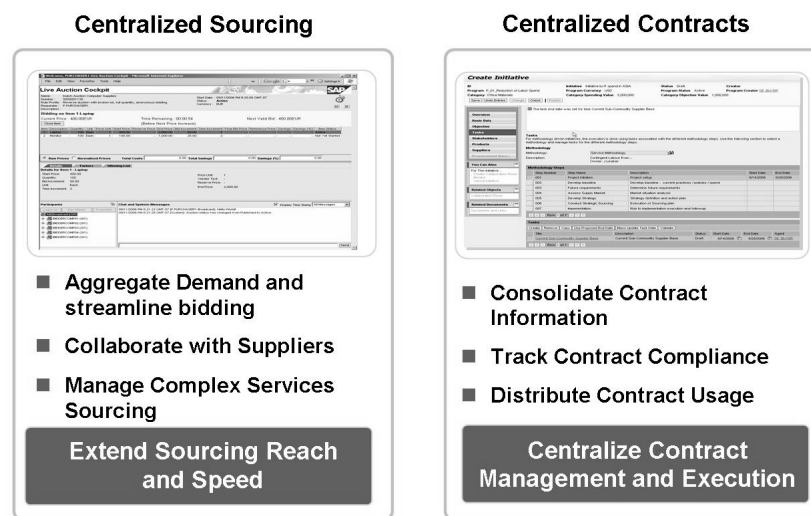


Figure 27: Centralized Sourcing & Contracts

The Operational Contract Management business scenario comprises these process steps:

1. Define Usage of Central Contracts
2. Developing Contracts
3. Processing Contracts and Sourcing Rules in SAP ERP
4. Negotiating Contracts
5. Process Delivery Schedules
6. Searching for Sources of Supply Centrally
7. Monitoring Contracts



Note: The steps in this process can vary depending on your business processes and requirements.

Strategic Sourcing with RFx

You can use this business scenario to source goods using RFx (request for information, request for proposal, and/or request for quotation). You can use this business scenario with or without integration of the sourcing cockpit. The sourcing cockpit helps you, as a professional purchaser, to process your requirements and to determine the best source of supply. You can also integrate document storage functionality maintained in cFolders in the RFx. After you have received bids from suppliers, you can create a purchase order or contract (local or global outline agreement) directly from the sourcing cockpit or in SAP Bidding Engine as a result of the RFx.

The Strategic Sourcing with RFx business scenario comprises these process steps:

1. Processing Shopping Carts
2. Processing Purchase Requisitions in SAP ERP
3. Searching for Sources of Supply Centrally
4. Negotiating Contracts
5. Processing Bidding Events
6. Processing Collaborative Bidding Events Using cFolders
7. Evaluating Bids
8. Processing Follow-On Documents
9. Analyzing Sourcing with RFx



Note: The steps in this process can vary depending on your business processes and requirements.

Strategic Sourcing with Live Auction

You can use this business scenario to source goods using auctions. With auctions, you can, for example, define bidding rules. Bidders can submit bids in real time in a separate live auction application. You can use this business scenario with or without integration of the sourcing cockpit. The sourcing cockpit helps you, as a

professional purchaser, to process your requirements and to determine the best source of supply. After you have received bids from suppliers, you can create a purchase order or contract (local or global outline agreement) directly from the sourcing cockpit or in SAP Bidding Engine as a result of the auction.

The Strategic Sourcing with Live Auction business scenario comprises these process steps:

1. Processing Shopping Carts
2. Processing Purchase Requisitions in SAP ERP
3. Searching for Sources of Supply Centrally
4. Conducting Live Auctions
5. Evaluating Bids
6. Processing Follow-On Documents
7. Analyzing Sourcing with Live Auction



Note: The steps in this process can vary depending on your business processes and requirements.

Roles Within SAP SRM

Roles describe the activities that internal employees or external business partners perform in a business scenario. Independent of the role, all users need a user master record in order to be able to log on to the system. After logging onto the system, users see all functions that they need to process their tasks.

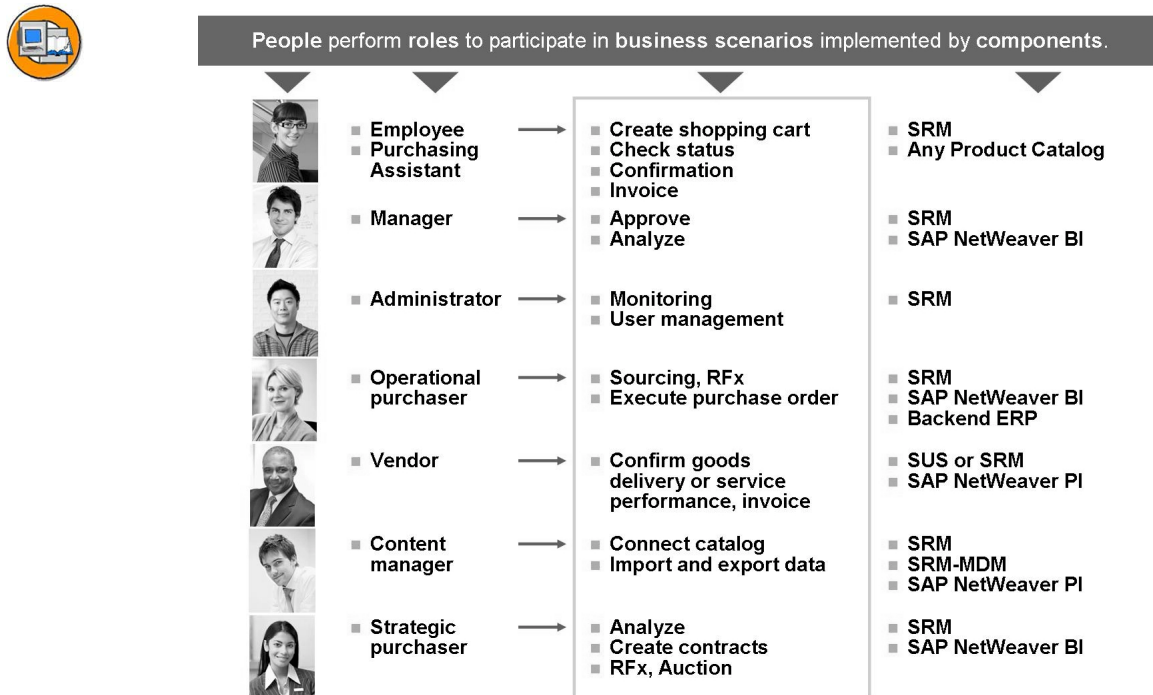


Figure 28: SRM Roles

Occasional users do not access the system very often or do so only to approve or review content.

- **Employees** (anyone in a company) can procure the goods and services that they need for their work area. To do this, they search for and order goods and services using electronic catalogs. They can check the procurement status at any time. Once the goods have been delivered or the service performed, they create a confirmation and enter the invoice for their purchase order. They can also change some of their user data. They cannot, however, conduct these tasks on behalf of other users.

The employee role serves as a basis role for all internal users in a company. It provides basic functionality as well as the necessary authorizations. Using composite roles, the employee role is “mixed” with other specialist roles (this does not apply to roles for external users, such as vendor and bidder).

- **Managers** are responsible for approving the requirement coverage requests of their employees, including the approval of settlements for procurement cards. Managers can change the attributes for all employees within their organizational unit. Provided SAP Business Information Warehouse (SAP BW) is available, the manager can also use specific analysis functions. The manager role holds only one more transaction than the employee role, but has more authorizations to perform management tasks within SRM.

Professional users need SRM for their daily tasks and form part of the value chain in which they are working.

- **Content managers** are responsible for importing and processing product data from external content providers and exporting the data to a SRM purchasing catalog.
- **Operational purchasers** can create public and restricted bid invitations and manage the bids received. They can process incomplete purchase orders, view contracts, and approve and manage business partner data. Provided SAP BW is available, they can also use specific analysis functions.
- **Strategic purchasers** create public and restricted bid invitations and manage the bids received. They can process incomplete purchase orders, create and process contracts, and approve and manage business partner data. Provided SAP BW is available, they can also use specific, enhanced analysis functions, such as strategic sourcing.
- **Components planners** process maintenance and service orders, and plan the materials needed to execute these orders
- **System administrators** are responsible for setting up and monitoring the SAP SRM system. They are responsible for analyzing and solving problems that occur in the system itself in the interfaces to the backend system and in the applications. System administrators also manage user master records for internal employees and external business partners and change the attributes for all employees within their organizational unit.

Professional users with limited authorization access SAP SRM periodically during the week and do not form part of the value chain in which they are working.

- **Purchasing assistants** and other designated employees, such as secretaries, perform central functions. They can, for example, search for required products in catalogs and order them for a limited group of persons.
- **Internal dispatchers** (formerly called **recipients**) work at the loading point, receiving goods for purchase orders and distributing them to the actual recipients. They can also confirm goods receipt and service entries centrally and verify invoices. Provided SAP BW is available, they can also use specific analysis functions.
- **Accountants** are responsible for entering invoices in SAP SRM in cases where ordinary employees, secretaries, office assistants, or vendors have not already done so. Provided SAP BW is available, they can also use specific analysis functions.

Suppliers are considered as being third-party employees and are generally categorized as professional users with limited authorization

- **Bidders and vendors** provide the goods and services that are procured. In SAP SRM, suppliers can confirm that they have delivered goods or performed services. They can also enter invoices for their purchase orders. Competing with other suppliers, they can submit bids in response to bid invitations.
- **Supplier administrators** assign roles and maintain supplier settings, customer data, and product data.

SAP Procurement for Public Sector

Procurement for Public Sector (PPS) is tailored to meet the procurement needs of public sector organizations. PPS is based on SAP Supplier Relationship Management (SAP SRM), in many cases extending and augmenting standard SAP SRM functionality to meet the demands of public sector organizations. PPS offers cost savings and improved efficiency through seamless integration between the contract management and financial processes, while complying with international procurement policies and public regulations.

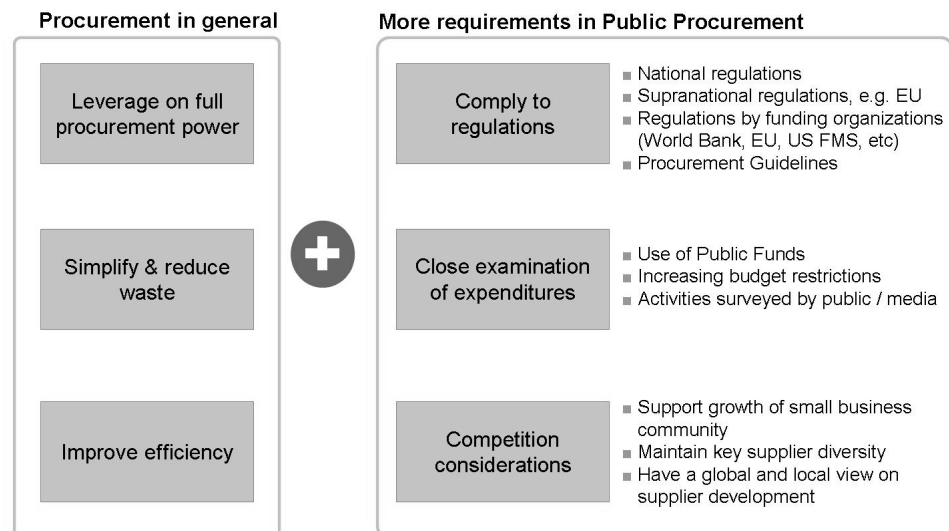


Figure 29: Public Sector Procurement Requirements

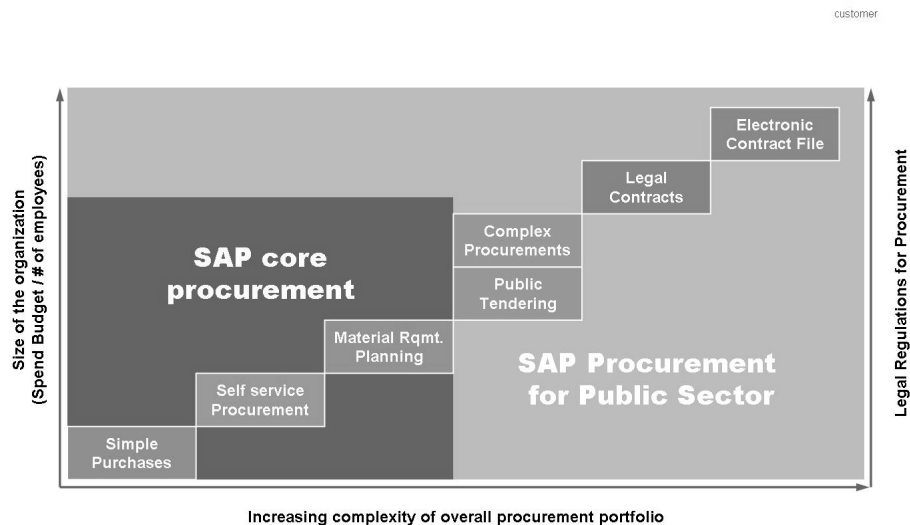


Figure 30: SAP PPS Additional Functionality



Note: To use SAP Procurement for Public Sector, SAP SRM must be deployed as an extended classic scenario. Other SAP SRM technical scenarios (classic, standalone, SAP SRM in one client in SAP ERP) are not supported for SAP PPS. Furthermore, only one SAP ERP back-end system can be connected to the SAP SRM system. Multi back-end deployment is not supported for SAP Procurement for Public Sector.

The following scenarios are relevant if you use SAP PPS. These SAP PPS scenarios require a special license agreement.



- Self Service Procurement
- Plan Driven Procurement
- Service Procurement
- SRM/MDM Catalog
- Operational Contract Management
- Sourcing
- Supplier Qualification / Supplier Identification
- Analytics
- Procurement for Public Sector: Public Tendering
- Procurement for Public Sector: Contract Management and Administration
- Procurement for Public Sector: Operational Procurement
- Procurement for Public Sector: Procurement Services

Figure 31: PPS is an Enhancement to Existing SAP Procurement Scenarios

1. **Public Sourcing and Tendering:** You use this business scenario to manage complex, highly-regulated, competitive RFx processes. You can create legally-compliant documents within a secure infrastructure that integrates SAP Records Management and procurement processes to fulfill audit requirements.
2. **Contract Management and Administration:** You can use this business scenario to allow a professional purchaser to negotiate a contract or purchase order with a supplier. This negotiation may be based on the outcome of the tendering process as described in the Public Sourcing and Tendering business scenario. Once pricing arrangements, clauses, payment, terms, and delivery conditions have been agreed upon, the contract or purchase order enters an approval workflow. Upon approval, the contract or purchase order is centrally created in SAP Supplier Relationship Management (SAP SRM). Operational purchasers can take advantage of the conditions negotiated. When users seek a specific product or service from a contract or contract-type line item in a mixed-use purchase order, a purchase order is created, which is then sent to the supplier. The supplier ships the required goods or provides the service to the designated recipient. The user then completes a goods receipt or service entry on the basis of which the supplier creates an invoice. The invoice is then paid by the organization in charge of payment. Additionally, the system automatically creates an electronic contract file that contains all procurement documents created. After award, any contract or purchase order modifications, as well as their supporting documentation, are also automatically added to the electronic contract file. The file continues to capture contractual information through closeout.
3. **Operational Procurement:** You can use this business scenario to process the requirements that have been created and released for procurement (for example, demands for spare parts coming from plant maintenance, demands for raw materials determined in a planning run, or requests for office supplies entered by an employee.) Requirements are transferred to the purchasing department as purchase requisitions. They are presented to the purchaser in work lists that support him in converting the requisitions into contracts or purchase orders. The purchaser can check the source of supply and the price and conditions that have been assigned to a requisition and start a request for quotation or bidding process if necessary. Release procedures are available to control critical procurement processes.
4. **Procurement Services (Automated Sourcing):** You can use this business scenario to satisfy requirements from external customers. In this scenario the purchasing agency satisfies the requirements either by delivery from stock, by creation of a release order against an existing contract, or by creation of a purchase order.

5. **Procurement Services (Manual Sourcing):** You can use this business scenario to satisfy requirements from external customers. In this scenario the purchasing agency satisfies the requirements either by delivery from stock, by creation of a release order against an existing contract, or by creation of a purchase order.

Exercise 2: Self-Service Procurement Cycle

Exercise Objectives

After completing this exercise, you will be able to:

- Perform a basic self-service procurement scenario

Business Example

To gain a basic understanding of the Self-Service Procurement process, you want to test SRM by ordering an item from the internal catalog, posting the confirmation of receipt, and entering the supplier's invoice.

Task 1: Create a Shopping Cart Using the Wizard

Acting as an employee, use the shopping cart wizard to order an item from the SAP SRM-MDM Catalog. Order a 2 pack of AA Alkaline Batteries from the supplier **Aramingo## Inc.** Name your shopping cart **Batteries##**. After placing the order, check the status of the shopping cart and see what follow-on document was created, create the Confirmation (goods receipt) and enter the supplier's invoice. Enter **1700##** as the supplier's invoice number and have the system calculate the total amount of the invoice. Finally check the status of the shopping cart and note the documents created from the confirmation and invoice.

Launch SRM and enter the following information

User ID	SRMUSER-##
Password	Provided by instructor

1. Order a two-pack of AA alkaline batteries from the supplier **Aramingo## Inc.** using the SAP SRM-MDM Catalog.
2. Check the status of the shopping cart and make a note of the resulting follow-on document.

Task 2: Create the Confirmation

Create the Confirmation of goods receipt from within the shopping cart display.

1. You have now received the batteries you ordered. Enter a confirmation of this receipt.

Continued on next page

Task 3: Invoice Entry

Enter the supplier's invoice in from within the shopping cart display.

1. Enter the invoice from the supplier that supplied the batteries.

Solution 2: Self-Service Procurement Cycle

Task 1: Create a Shopping Cart Using the Wizard

Acting as an employee, use the shopping cart wizard to order an item from the SAP SRM-MDM Catalog. Order a 2 pack of AA Alkaline Batteries from the supplier **Aramingo## Inc.** Name your shopping cart **Batteries##**. After placing the order, check the status of the shopping cart and see what follow-on document was created, create the Confirmation (goods receipt) and enter the supplier's invoice. Enter **1700##** as the supplier's invoice number and have the system calculate the total amount of the invoice. Finally check the status of the shopping cart and note the documents created from the confirmation and invoice.

Launch SRM and enter the following information

User ID	SRMUSER-##
Password	Provided by instructor

1. Order a two-pack of AA alkaline batteries from the supplier **Aramingo## Inc.** using the SAP SRM-MDM Catalog.
 - a) Launch SRM and enter the following information

User ID	SRMUSER-##
Password	Provided by Instructor



Hint: The password is case sensitive.

- b) Select *Employee Self-Services* → *Shop* from the menu options.



Hint: Do not use any of the Microsoft Internet Explorer standard buttons, such as *Back*, *Forward*, or *Refresh* as these will cancel your transaction in SRM. Only use the menu options and buttons within SRM.

- c) Select the *SRM-MDM CATALOG* catalog.
 - d) Select **Aramingo## Inc.** from the list of Suppliers.
 - e) Choose the *Shopping Cart* icon under the *Action* column for the **Alkaline Batteries, "AA", 2/Pack** from the supplier **Aramingo## Inc.**

Continued on next page

- f) Choose *Check Out*.
 - g) Select *Next*
 - h) Enter **Batteries##** for *Name of Shopping Cart*.
 - i) Choose *Order*.
 - j) Choose *Close* to close out the shopping cart transaction.
2. Check the status of the shopping cart and make a note of the resulting follow-on document.
- a) Select *Refresh* to update the shopping cart query.
 - b) Select the shopping cart named *Batteries##*
 - c) Choose the *Related Documents* tab in the *Item Details* section and note the resulting follow-on document.



Hint: There is a report running in SRM every two minutes that updates the shopping carts when follow-on documents are created on the backend ECC system. If you don't see a PO number right away, wait a minute and then choose the *Refresh* button to update the data.

- d) Do not close out this window!

Task 2: Create the Confirmation

Create the Confirmation of goods receipt from within the shopping cart display.

1. You have now received the batteries you ordered. Enter a confirmation of this receipt.
 - a) Choose *Create Confirmation* in the *Item Overview* section.
You will receive a message that your Confirmation was posted.
 - b) Choose *Refresh*.
 - c) Choose the *Related Documents* tab in the *Item Details* section and note the resulting document created from your Confirmation.

There will be 2 documents related to the Confirmation. The *Document Number* is the number of the Confirmation document created in SRM. The *Backend Document Number* is the number of the Material document created in the ERP system.
 - d) Do not close out this window!

Continued on next page

Task 3: Invoice Entry

Enter the supplier's invoice in from within the shopping cart display.

1. Enter the invoice from the supplier that supplied the batteries.
 - a) Choose *Create Invoice* in the *Item Overview* section.
You will receive a message that your Invoice was created.
 - b) Choose *Refresh*.
 - c) Choose the *Related Documents* tab in the *Item Details* section and note the resulting document created from your Invoice.

There will be 2 documents related to the Vendor's Invoice. The *Document Number* is the number of the Invoice document created in SRM. The *Backend Document Number* is the number of the Invoice document created in the ERP system.
 - d) Close the shopping cart display window.



Lesson Summary

You should now be able to:

- Explain the different SRM Deployment scenarios
- Explain the SRM Business scenarios
- Describe the roles utilized in different business scenarios
- Understand SAP Procurement for Public Sector

Lesson: SAP Procurement Portfolio

Lesson Overview

SAP offers a variety of solutions to support the Source to Pay process. This lesson will introduce you to these different solutions.



Lesson Objectives

After completing this lesson, you will be able to:

- Describe the features and integration aspects of SAP E-Sourcing.
- Understand process of SAP Contract Lifecycle Management.
- Explain SAP Spend Analytics.

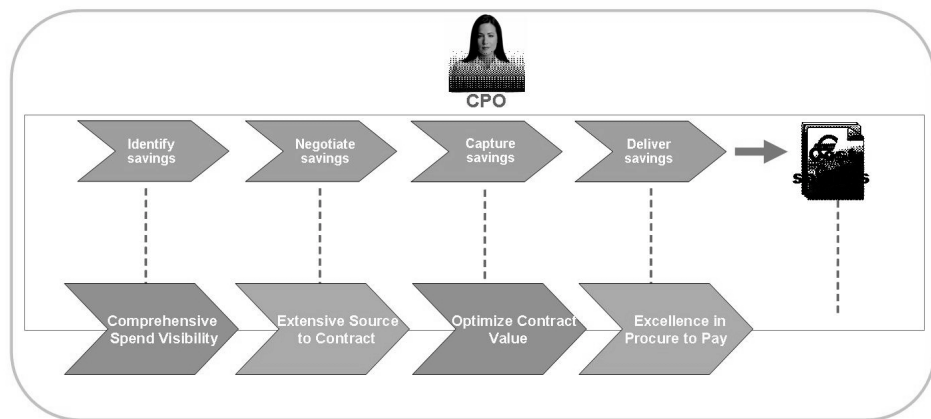
Business Example

As a member of the Source to Pay team, you need to understand the other SAP solutions that can build on your core Supplier Relationship Management functionality. You want to evaluate the features and benefits of SAP E-Sourcing, Contract Lifecycle Management and Spend Analytics.

SAP Procurement Portfolio

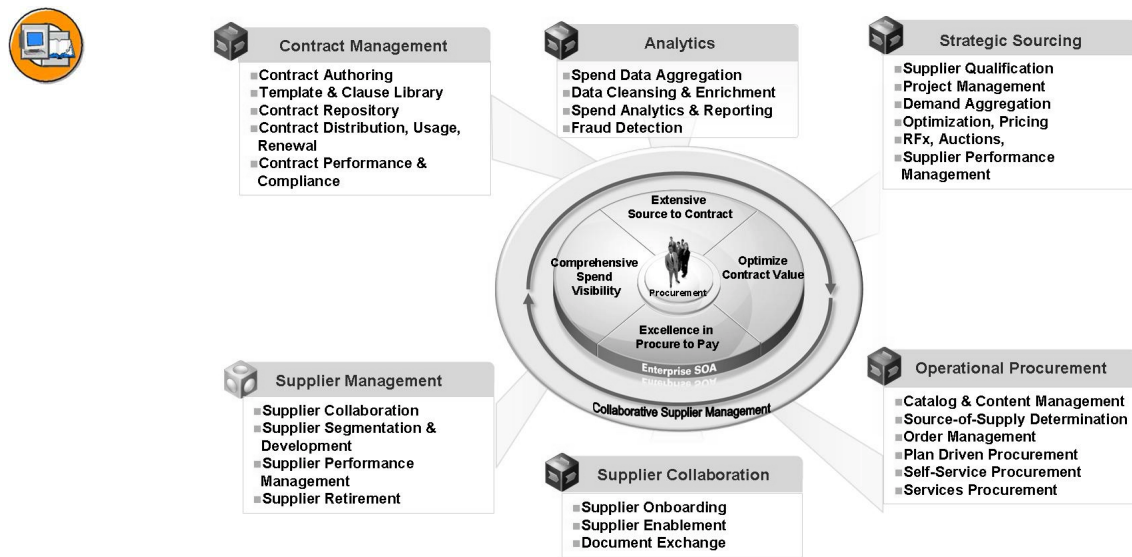


Bridges the gap between strategic and operational to create greater time to value, increased compliance & sustainable savings



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Figure 32: SAP Procurement Excellence



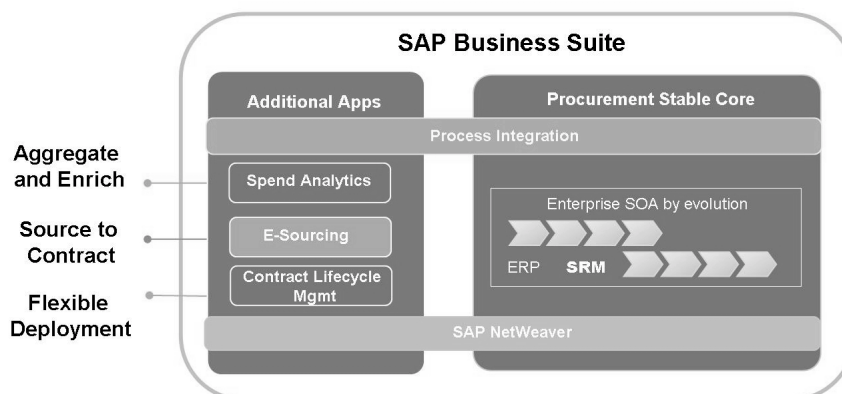
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Figure 33: SAP Procurement End to End Coverage

In addition to the functionality in the ERP and SRM systems, SAP offers a portfolio of advanced procurement applications designed to support the entire source to pay cycle. These applications are supported by SAP NetWeaver's SOA platform. These applications can be integrated with your ERP and SRM systems.

**Delivers**

- **Rapid Identification** of savings opportunities to enable accelerated savings and compliance
- **Excellence** in strategic sourcing process for maximum obtainable savings
- **Effective standardization** of the contract creation and management process



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Figure 34: Advanced Functional Coverage

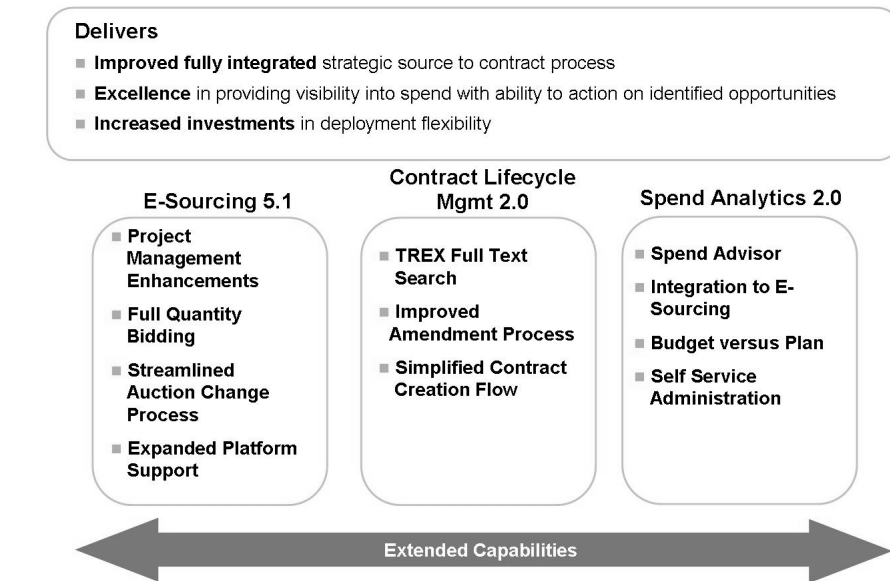


Figure 35: Key Focus Areas

- **SAP Spend Analytics**

The SAP Spend Analytics (SAP SA) package helps your company aggregate, normalize, classify, and enrich spend data. The package provides easy-to-use, robust, flexible analytics you can use to identify spend, drive sourcing strategy, highlight noncompliance, and optimize supplier management.

- **SAP E-Sourcing**

SAP E-Sourcing gives you a complete sourcing-to-contract management process with several points of entry into the process and multiple delivery model options.

- **SAP Contract Lifecycle Management**

The SAP Contract Lifecycle Management (SAP CLM) application supports your company's entire contract management process. The application supports all contract types and can integrate with back-end systems in support of contract compliance.

These applications can be used together or independently depending on a company's processes and requirements. For example, a company may only use SAP E-Sourcing to support their Requisition to Contract process, via integration with their SAP ERP system. On the other hand a company may only use SAP CLM to manage all of their corporate contracts (both sales and purchasing) in a single repository.

SAP E-Sourcing

The SAP E-Sourcing application is Web-based software that helps you maximize savings by automating and streamlining the strategic sourcing process across all of your supplier expenditures. SAP E-Sourcing enables you to perform processes such as reporting, collaborative project management, online bidding, contract negotiation, and contract management.

You can deploy SAP E-Sourcing according to your needs. For example, to get up and running quickly, the application can be hosted by SAP. Or, you can choose to deploy SAP E-Sourcing on your own infrastructure.



Note: You can migrate from a hosted environment to an on premises environment.

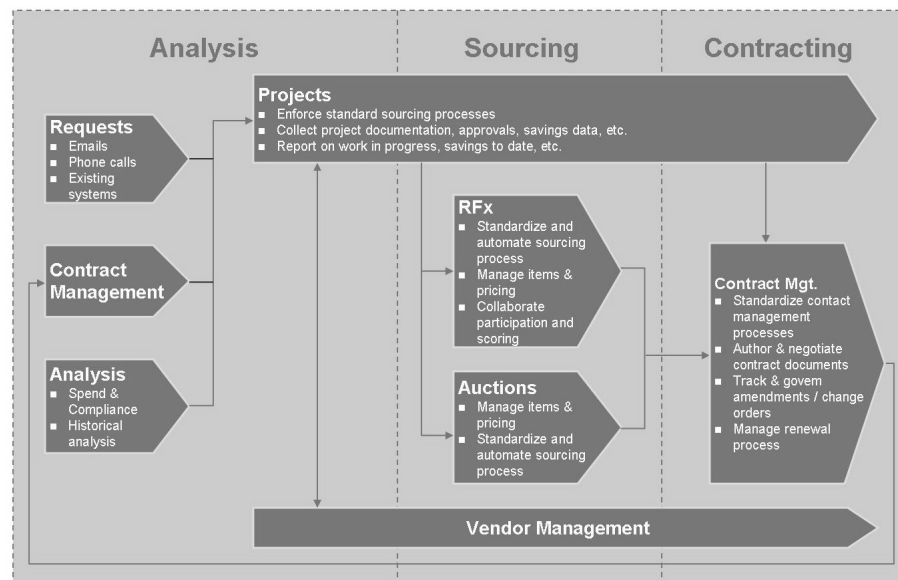


Figure 36: SAP E-Sourcing and the Sourcing Lifecycle

The SAP E-Sourcing application enables sourcing and negotiation activities, including:

- Reporting and Spend Analysis
- Project management/Category management
- RFx (Requests for proposals, information, and quotation)
- Auctions (Forward and reverse)
- Contract Management
- Supplier Management

The workbench is the default view for all users within E-Sourcing. The workbench provides “channels” of information to help users manage activity within the application. These include:

- Event calendars and To Do lists
- Activity / Management reports
- Search functionality
- Shared files
- Alerts
- Discussions
- Training materials
- Technical support information
- Links to internal and external websites

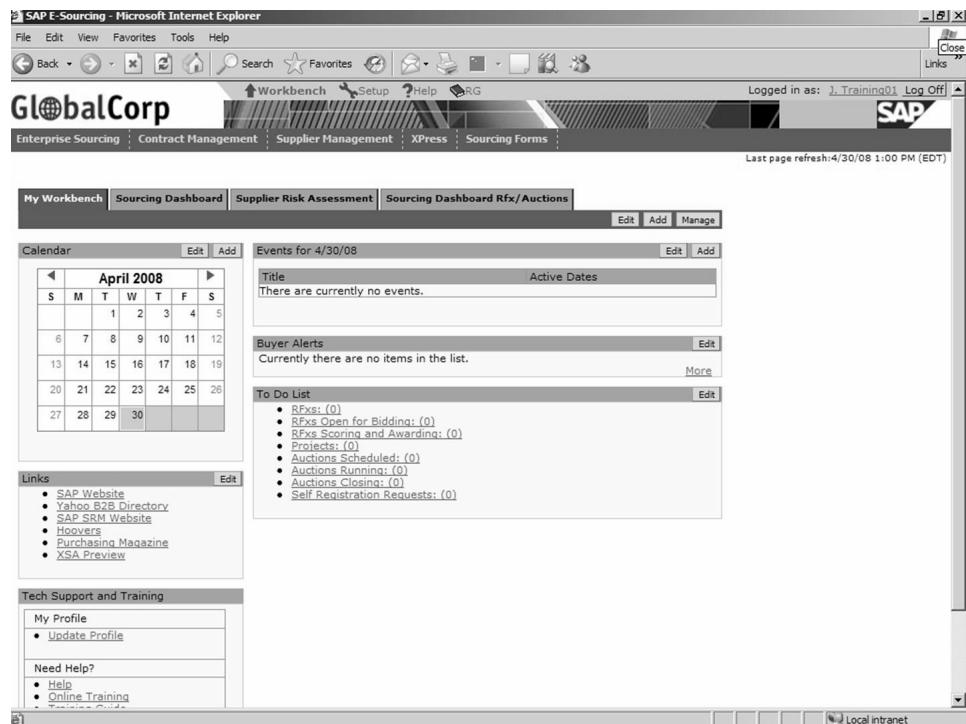


Figure 37: E-Sourcing Buyer Workbench

The Supplier Management area in E-Sourcing is where vendors are maintained. There are different options for creating vendors in E-Sourcing such as:

- Manual creation
- Upload from CSV file
- Replicate from SAP ECC system
- Vendor Self-Registration

The primary vendor contact person can have the ability to manage the vendor profile. This allows the vendor to maintain basic company information and to add or delete other contacts. All changes to vendor profiles must be reviewed and approved by the Vendor Administrator before they become active.



Hint: Supplier access to E-Sourcing is referred to as 'Sell-Side'. Buyer access to E-Sourcing is referred to as 'Buy-Side'.

The Projects module in E-Sourcing is used to track and manage all sourcing activity within an organization. Projects are the foundation for Management Reporting within E-Sourcing on what's coming up, what's in progress and what's completed. The project is also a general folder for a sourcing initiative that contains supporting data and documentation. Projects can contain 'links' to related RFx, Auctions and Agreements.

- Document process steps and milestones
- Track costs and resources
- Store related discussions and documentation
- Enable collaboration with team members
- Provide visibility to both collaborators and management
- Establish a central repository for all project-related information.

Like all E-Sourcing documents (RFx, Auctions and Agreements), Projects can be created from a template or from scratch.

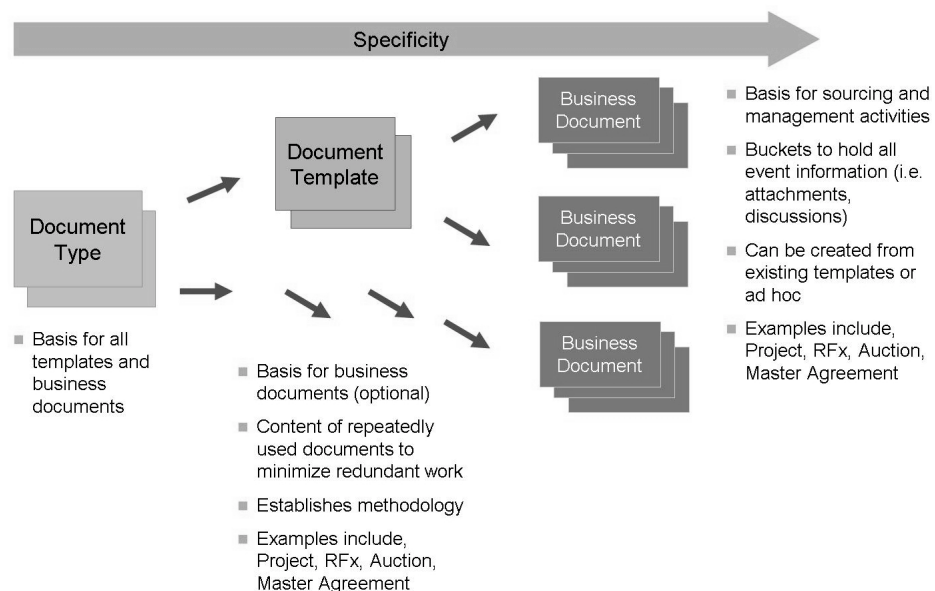


Figure 38: E-Sourcing Document Concepts

The RFx module in E-Sourcing is a flexible tool that can be used for all types of sourcing events such as:

- Requests for Information
- Requests for Quote
- Requests for Proposal

E-Sourcing RFx are collaborative web-based business documents designed to facilitate the competitive bid process. They enable you to ask suppliers questions in a structured manner. The questions on an RFx can be weighed according to their importance. Questions are stored in libraries so they can easily be imported into a RFx document or template. There is also an Information library that can provide standard data or instructions.

Suppliers can access the RFx via the web to submit their responses. E-Sourcing can automatically score certain types of questions, others require manual scoring. The scoring can be used to objectively determine the winner of a competitive bid process.

E-Sourcing Auctions are used to solicit bids from Suppliers for goods and services where price is the main or only consideration. An online auction is a forum in which suppliers compete head to head within the E-Sourcing application. An auction typically follows an RFx event, although this is not required.

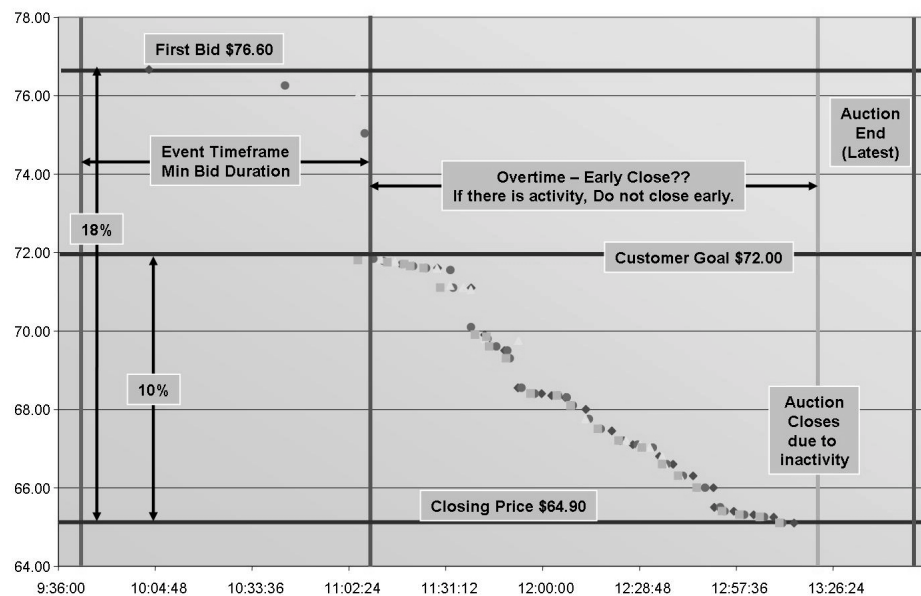


Figure 39: Online Auction Example

Both forward and reverse auctions are supported in E-Sourcing. Forward auctions could be used, for example, to sell scrap or obsolete inventory.

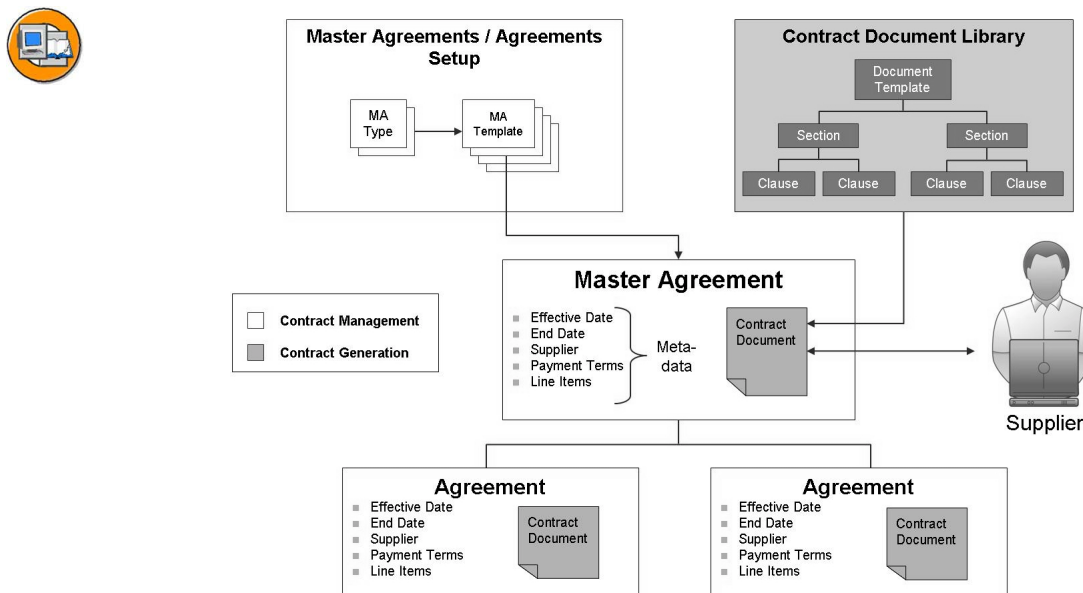


Figure 40: E-Sourcing Contracts Overview

The E-Sourcing Contract Management module enables you to create a central repository of all your Master Agreements and Agreements with the related Contracts. Master agreements and agreements can be linked to other documents in E-Sourcing, such as Project, RFx and Auction.

➔ **Note:** In E-Sourcing terminology Master Agreements and Agreements contain the structured metadata surrounding the physical contract document. The Contract document is the electronic or physical contract signed by the supplier. In other words, the Master Agreement and Agreements are the 'system documents' used to generate a 'physical' document sent to the supplier.

➔ **Note:** Contract documents can be generated in MS Word or Adobe PDF formats.

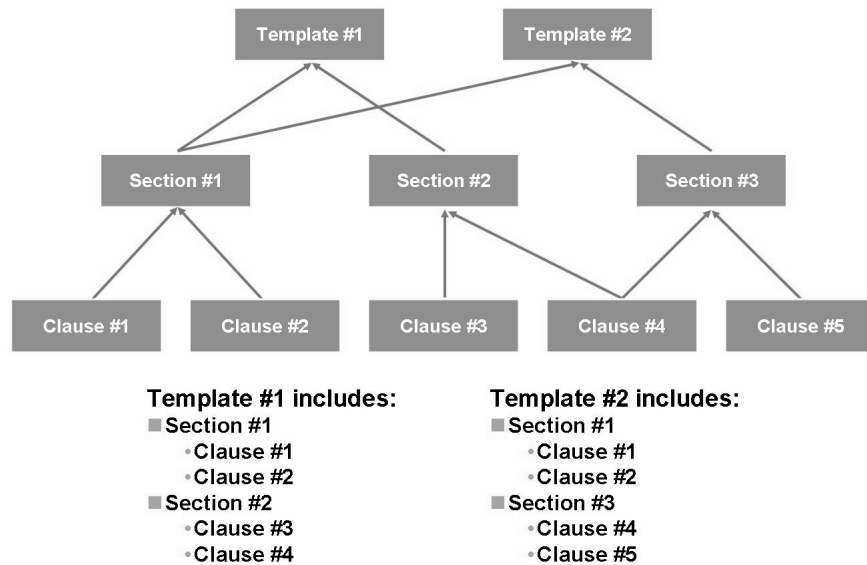


Figure 41: Contract Generation Library

The Contract Generation Library contains all of the clauses used for contract documents. Clauses are the foundation of contract generation and can be used in one or many sections. Sections contain one or many clauses and can be used in one or many templates. Templates contain one or many sections and are used as a basis to create the first draft of a contract.

The check-out functionality for contracts allows a user to review a contract document while retaining exclusive rights to modify that document. While a contract document is checked out, other users may download the document for review, but no other user may check-in, or upload, a modified version of that document.

The check-in process creates a new version of the contract document and incorporates the changes made during the check-out. Multiple versions of contract documents can be archived and maintained, allowing for changes to be tracked across subsequent versions. The check-out and check-in process allows you to negotiate contract terms with suppliers, so that there is only one formal version of the contract being redlined at one time.

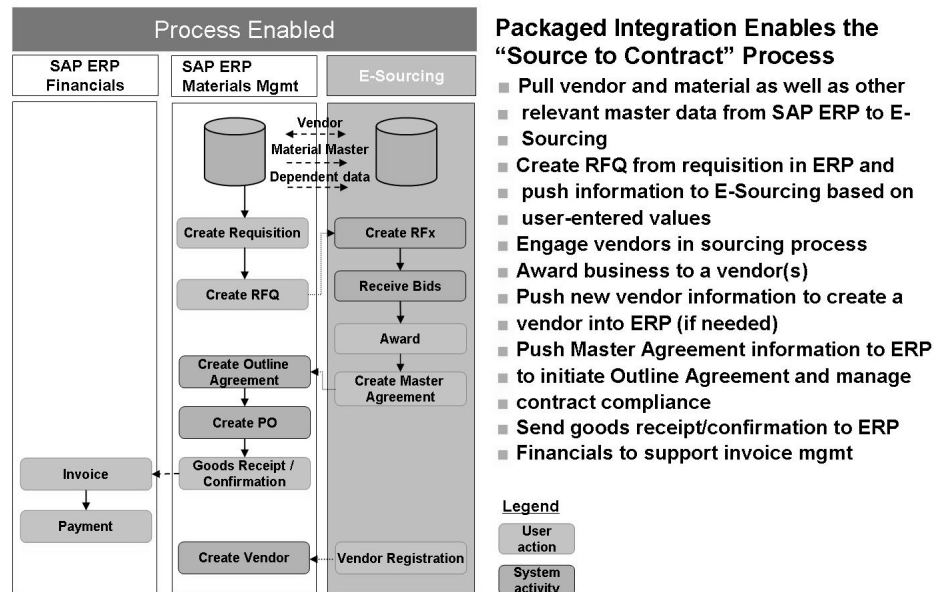
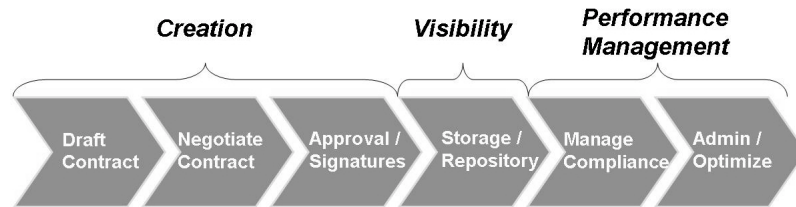


Figure 42: E-Sourcing Integration with ERP

The process integration between E-Sourcing and the SAP ERP systems allows you to create a RFX from a RFQ in the ERP. The resulting RFX in E-Sourcing could then be awarded to the best supplier and then converted into a Master Agreement. The Master Agreement would then trigger the creation of an Outline Agreement in the ERP (Contract or Scheduling Agreement.) Releases would then be created against the Outline Agreement in the ERP. The Master Agreement in E-Sourcing would then be updated to show what releases have been created against it.

In addition to the process integration there is standard master data integration between E-Sourcing and the SAP ERP systems. This allow you to integrate vendors, materials and other supporting data.

SAP Contract Lifecycle Management



Proactive management of all steps in the life of a contract:

- Strategy to creation
- Negotiations and finalization
- Internal and external compliance
- Visibility and optimization

Figure 43: What is Contract Lifecycle Management?

SAP Contract Lifecycle Management (CLM) contains all of the features and functionality of the Contract Management module within SAP E-Sourcing. The main difference is that CLM can be used for the creating of Enterprise-wide contracts, such as Sales contracts. CLM also includes the following features from E-Sourcing:

- Projects
- Business Partner Management (Supplier Management)
- System Libraries (Clauses, Sections and Templates.)



Note: SAP CLM does not include RFx and Auctions.

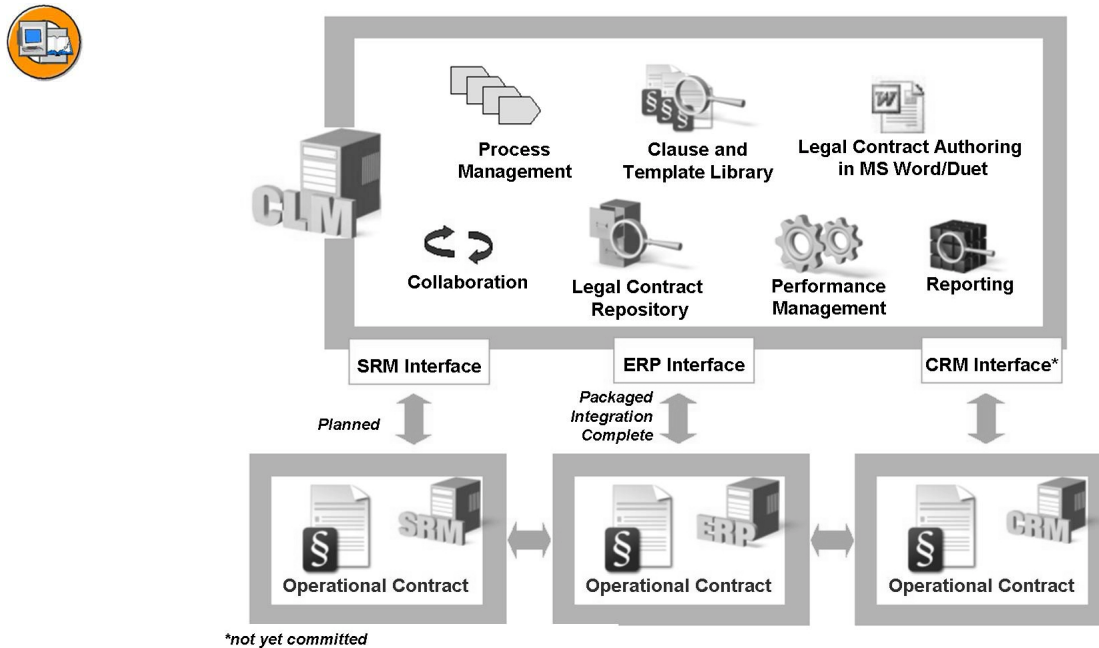


Figure 44: CLM Application Overview

Operational contract will still remain fundamental components of the ERP, SRM and CRM systems. SAP CLM enhances this functionality with contract document creation, legal contract authoring, workflow, addendum management and performance management.

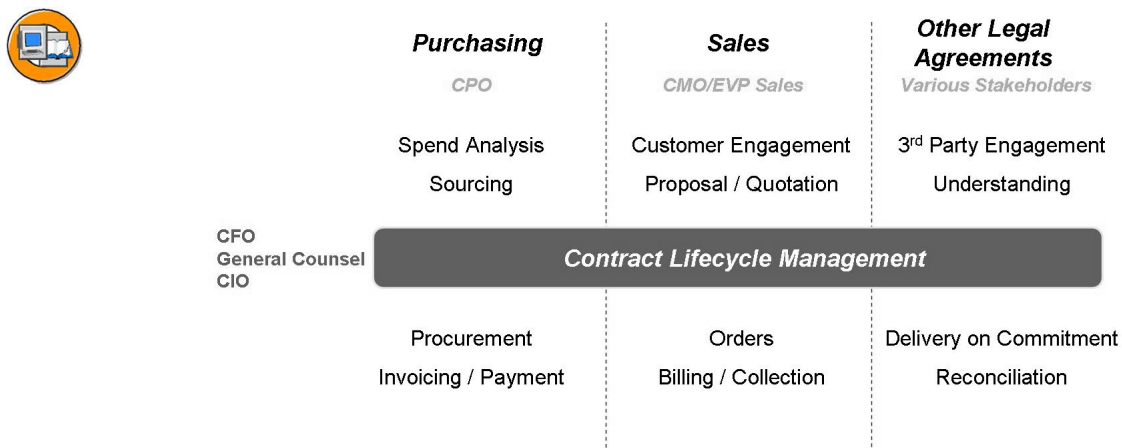


Figure 45: CLM Supports all types of Contracts

SAP Spend Analytics

SAP Spend Analytics is SAP's next-generation end-to-end spend analysis solution. It is an analytical application that helps companies gain a comprehensive view of their spend data. It aggregates data from heterogeneous sources, supports data

cleansing and classification activities and provides a rich reporting and analysis environment that offers both out-of-the-box and ad hoc analysis capabilities for analyzing all spend data.

➔ **Note:** SAP Spend Analytics uses Netweaver BI only for data modeling and storage, not the user interface.

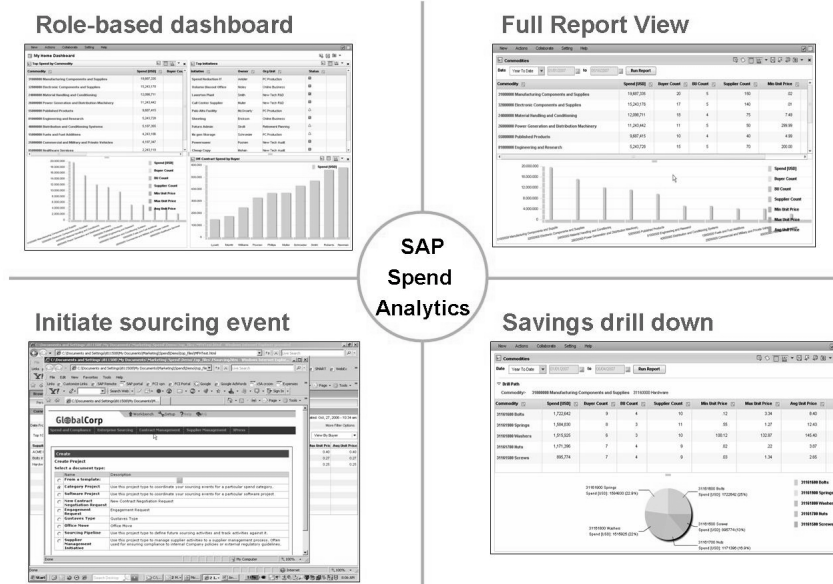


Figure 46: SAP Spend Analytics Interface

- Spend data aggregation from global, heterogeneous SAP and non-SAP sources
- Spend data classification, normalization and enrichment through a combination of software and services
- Robust and flexible prepackaged analytics built on a new spend-specific data cube
- Briefing book to capture snapshots of information to show savings and trends in presentations, share with executives and project teams, and use as an audit trail

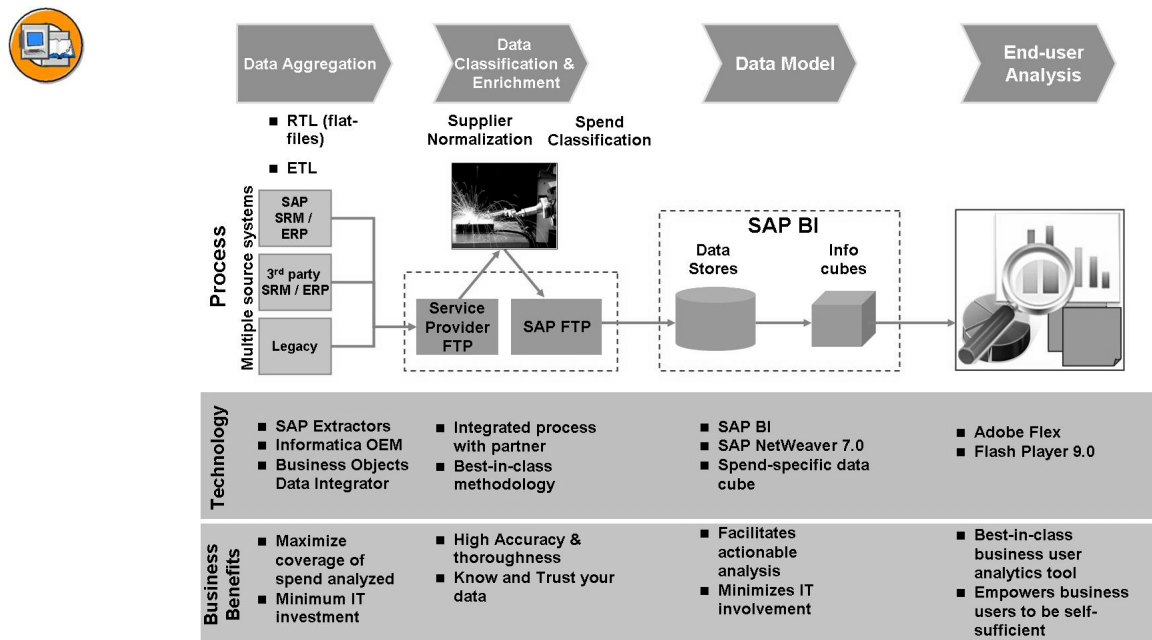


Figure 47: SAP Spend Analytics Process



Lesson Summary

You should now be able to:

- Describe the features and integration aspects of SAP E-Sourcing.
- Understand process of SAP Contract Lifecycle Management.
- Explain SAP Spend Analytics.



Unit Summary

You should now be able to:

- Explain the SAP Business Suite
- Describe the main features of SAP Supplier Relationship Management
- Describe the SRM Application and Technology Components
- Explain the different SRM Deployment scenarios
- Explain the SRM Business scenarios
- Describe the roles utilized in different business scenarios
- Understand SAP Procurement for Public Sector
- Describe the features and integration aspects of SAP E-Sourcing.
- Understand process of SAP Contract Lifecycle Management.
- Explain SAP Spend Analytics.



Test Your Knowledge

1. SAP E-Sourcing offers Self-Service Procurement features similar to SAP SRM.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

2. SAP Contract Lifecycle Management enables you to create the following types of contracts

Choose the correct answer(s).

- ☐ A Procurement contracts
- ☐ B Sales contracts
- ☐ C Service contracts
- ☐ D Subcontractor contracts

3. SAP Spend Analysis only allows you to capture procurement information from SAP systems.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

4. What are the main modules of SAP E-Sourcing?

Choose the correct answer(s).

- ☐ A Projects
- ☐ B Service Sourcing
- ☐ C RFx
- ☐ D Auctions
- ☐ E Subcontractor Relations
- ☐ F Contract Management



Answers

1. SAP E-Sourcing offers Self-Service Procurement features similar to SAP SRM.

Answer: False

SAP E-Sourcing offers advanced functionality for Sourcing Projects, RFx, Auctions and Contracts.

2. SAP Contract Lifecycle Management enables you to create the following types of contracts

Answer: A, B, C, D

SAP E-Sourcing allows you to create any Enterprise-wide contract.

3. SAP Spend Analysis only allows you to capture procurement information from SAP systems.

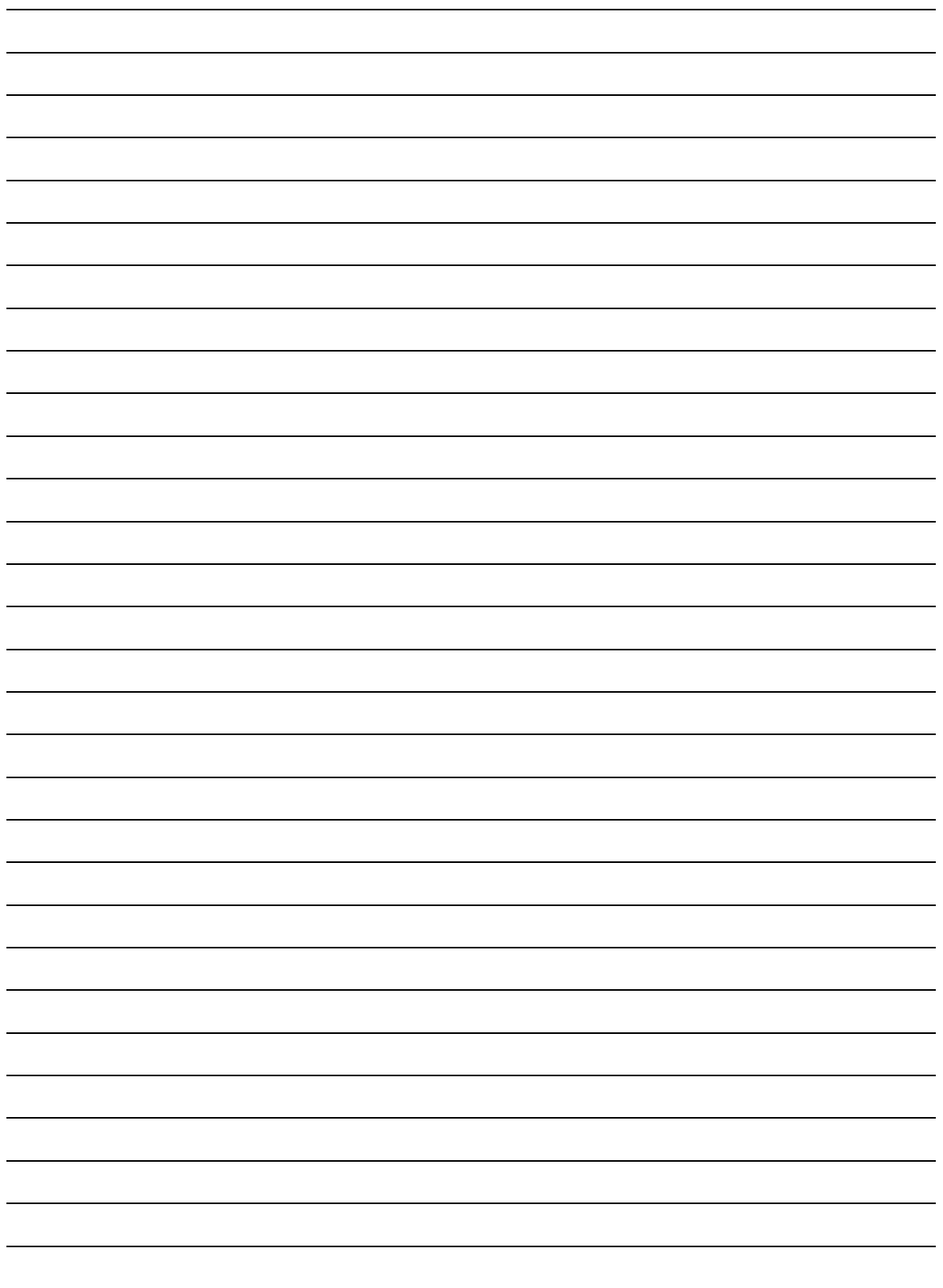
Answer: False

SAP Spend Analytics allows you to import spend data from SAP systems as well as non-SAP systems for global spend reporting.

4. What are the main modules of SAP E-Sourcing?

Answer: A, C, D, F

The main modules of SAP E-Sourcing are Project, RFx, Auctions and Contract Management.





Unit 2

SAP SRM Operational Procurement

Unit Overview

This unit will introduce you to self-service procurement, catalogs, plan-driven procurement and service procurement within SRM.



Unit Objectives

After completing this unit, you will be able to:

- Explain business partners
- Explain the use of product masters
- Describe role of product categories
- Explain the role of the Organization Plan in SRM
- Describe the component of the SRM-MDM catalog
- Understand the process flow of the SRM-MDM catalog.
- Explain the features of the SRM-MDM user interface
- Explain the process of the SAP Catalog Authoring Tool
- Explain the features of the SAP Catalog Search Engine
- Describe the different ways to create a shopping cart in SAP Supplier Relationship Management
- Explain the purpose and value proposition for using catalogs in SAP Supplier Relationship Management
- Describe the approval workflows for shopping carts
- Outline the different scenarios for confirmations in SAP SRM
- Define the roles and their functions for processing confirmations
- Outline the different scenarios for invoices in SAP SRM
- Define roles and their functions for processing invoices
- Describe the Plan Driven Procurement process within SRM
- Explain the manual direct procurement process flow in SRM
- Explain the sourcing integration with direct procurement
- Describe the process for ordering temporary labor within SAP SRM
- Explain the roles in SAP SRM that can order temporary labor

- Detail the options for entering confirmations for services in regards to temporary labor
- Describe the process in detail for transferring of external service items with hierarchies between ERP and SRM.
- Explain other new and enhanced features in Service Procurement as of SRM 7.0, ECC 6.0 EhP 4.
- Process Local Purchase Orders in Supplier Relationship Management
- Create Local Purchase Orders without reference to a Shopping Cart.

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Lesson: SRM Master Data and Organization Plan

Lesson Overview

In this lesson, you will learn about the various master data utilized in SRM.



Lesson Objectives

After completing this lesson, you will be able to:

- Explain business partners
- Explain the use of product masters
- Describe role of product categories
- Explain the role of the Organization Plan in SRM

Business Example

Your company needs to utilize the vendors and materials that already exist in its ERP system within SAP SRM. Therefore, you need to explore the options for creating and utilizing this master data in SAP SRM. You also need to understand the role of the Organization Plan in SRM.

Business Partners

SAP SRM uses the SAP Business Partner concept. An internal or external business partner is created in SRM for every person, organization, or group of people that could be involved in a business transaction. Within the context of business transactions (a bid invitation or a purchase order, for example) business partners can adopt various partner functions, as long as they have fulfilled the relevant requirements. Business partners aggregate the master data of a person, organization or group of people.

Internal business partners are created for organizational units or employees in the organizational structure (with the exception of the location). When a business partner is created for an employee, this business partner is assigned to the relevant organizational unit within the organizational structure. The employee relationship to the business partner of the associated organizational unit is created for the internal user's business partner. For example, when creating the business partner for employee LOUIE, the employee relationship to the business partner of the

organizational unit MAINTENANCE is defined. The employee relationship covers the employee's business address that is used when goods are delivered, for example.

- **Requester** Employee in a company that creates a shopping cart. A shopping cart can also be created on behalf of another employee.
- **Purchasing Company** Company that uses SRM for procurement
- **Goods recipient** Employee in a company that confirms goods receipt or performance of service
- **Location** Business partner that represents a delivery address or a plant in the backend.
- **Ship-to address** Ship to address of a company to where the goods are delivered
- **Invoice recipient** Business partner to whom the invoice is sent
- **Employee responsible** Employee in the company who is responsible for the contract

External business partners Business partners with the role vendor or bidder are created within vendor groups in the organizational plan.



Note: As of SRM 5.0, vendors are not assigned to organizational units in the organizational plan (transaction PPOMA_BBP). They are assigned to vendor groups (transaction PPOMV_BBP).

For every external employee of a vendor or bidder, a contact person is created in addition to the business partner for that company. This allows the contact person to access documents in SRM such as an RFx or a Live Auction. Contact can also create confirmations and invoices. You can then send the user his/her user ID and password via e-mail. The relationship of the contact person covers the business address of the corresponding contact person.

- **Bidder** Company that can submit bids in response to a bid invitation
- **Vendor** Business partner from whom goods and services can be obtained
- **Preferred vendor** Business partner suggested as vendor by requester
- **Contact person** Specific contact person from the bidder or vendor company
- **Ship-from address** Outbound delivery address of the company from where the goods are shipped
- **Invoicing party** Business partner that sends the invoice



Note: During invoice creation, you can also enter an invoicing party that differs from the vendor. The invoicing party is a mandatory partner. If you do not enter an invoicing party, the system suggests an invoicing party using the vendor.

For example, a vendor, purchasing group, and user can be included in a shopping cart before it can be saved. Each of these three elements will have its own business partner record maintained in the SRM system.



Internal Business Partners

Requestor / Employee

Goods Recipient

Purchasing Group

Location / Plant



External Business Partners

Supplier / Vendor

Figure 48: Business Partners in Shopping Cart

Each business partner is assigned a role that describes its purpose. Business partners can be linked to other business partners to describe their individual relationships. Some roles in the SRM system include:

- Vendor
- Bidder
- Contact person
- Employee
- Organization Unit

Business partners can be linked to other business partners to describe their individual relationships. Two examples of relationships in SRM are:

- **Organization Unit** has the **Employee**
- **Vendor** has **Contact person**

For example, a person is hired by a company's purchasing department. A business partner is created in SAP SRM for this new worker and the master record is assigned to the role of employee. Since this purchasing department has its own business partner, the two business partner records are linked using the *Has the Employee* relationship.



Note: In SAP SRM, business partners that represent a business organization, such as departments, employees, vendors, or vendor employees (contacts), can be maintained in the *Maintain Business Partner* or *Maintain Organizational Model*.



Figure 49: Business Partner Relationships

Maintaining a Vendor Master via a Browser

In SAP Supplier Relationship Management (SRM), system administrators or purchasers can use the application Manage Business Partners to manage master data for external business partners (such as company data for vendors and bidders) and master data for individual contact persons from the company.

If the company is not yet registered, external employees can submit a registration application for the company as a vendor, bidder, or portal bidder, and can submit a registration application for themselves as a contact person. Registration applications are forwarded via a workflow to the responsible purchaser or system administrator, who can approve or reject the application. If the application is approved, the purchaser must create the appropriate master data or user data. Contact persons can also submit additional employees from their company to be registered as contact persons in SAP SRM.

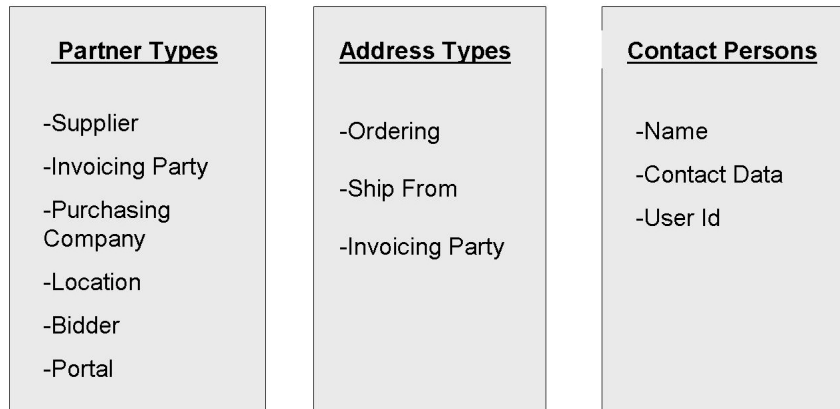


Figure 50: Managing External Business Partners

Create, Change, Display, and Delete Purchasers and system administrators can choose to display or process a bidder, vendor, portal provider, or contact person. Data includes the Dun & Bradstreet number, your account number at the vendor, and multiple addresses. Bidders may be adapted as vendors. Business partners can be deleted if they are not being used.

Addresses All addresses and address types are saved with the business partner. You can only add standard addresses to the system via the master data maintenance option *Manage Business Partner*.

Purchasers can set ordering, ship-from, and invoicing party addresses for vendors. The system administrator can also set the ship-to address and the invoice recipient address for your own company. To do so, choose *Edit Internal Addresses* or *Edit External Addresses* from the initial screen.

Vendors can be given permission to change their own addresses.

Address Type	Description
Ordering	The purchase order goes to this address
Ship-from	The goods are sent from this address
Invoicing party	The invoice is sent from this address
Ship-to	Goods are delivered here
Invoice recipient	The invoicing party sends the invoice here
Goods recipient	Internal address of the receiving party

Replicating Vendors

To use existing master records for vendors, you must replicate the vendor master records from the backend system. The following prerequisites must be met in the Classic Scenario:

- **Backend system:** The vendor must be assigned to a purchasing organization.
- **SRM system:** The organizational plan has to be in place. In the organizational plan, there has to be an organizational unit that represents the purchasing organization of the vendor in the backend. (The vendors themselves are assigned to vendor groups; transaction PPOMV_BBP.)
- The business partner groupings must be defined. To copy numbers from the backend system, you must define a grouping as the external grouping.
- If you want to delete business partners, they must not be involved in any open transactions at the time of deletion.
- Terms of payment and Quality Management systems are only transferred if they have first been replicated. To do this, use the following reports: BBP_UPLOAD_PAYMENT_TERMS and BBP_UPLOAD_QM_SYSTEMS.

BBPGETVD: This transaction copies the vendor master data needed by SAP SRM. When using this transaction you must specify whether:

- The SRM system is to assign numbers from the internal number range for business partners for the vendors to be copied.
- The vendor numbers are to be copied from the backend system. If the number already exists in the SRM system, the system assigns a number internally for the vendor. In this case, configure the internal number range so that it does not overlap with the number range in the backend system.

BBPUPDVD Here you can adapt the vendor data in the SRM system, should the master data in the backend system be different to the replicated data.

BBP_VENDOR_SYNC: You can schedule this program as a job to automatically synchronize vendor master data. This program only starts the synchronization for modified or added vendor masters.

Maintaining Internal Business Partners via a Browser

Employee business partners can be created via a Web browser. Employees can be given the option to create their own SAP SRM user records. An administrator possesses the ability to both create and maintain the various user records.



<p><u>Personal</u> Name and Title</p>	
<p><u>Position</u> Basic Data Address Organization Unit (Department)</p>	
<p><u>User Account</u> User ID / Password Role Assignment E-Mail</p>	

Figure 51: Managing Employee User ID's

Vendor Hierarchies

Vendor Hierarchies can be employed for reporting purposes. They also guarantee, for example, that releases against contracts are made within a particular vendor hierarchy.

- **Structuring of vendor relationships:** You can structure and model vendor relationships (for example, you have a superordinate vendor and want to assign dependant, local subsidiaries to it).
- **Importing of external vendor hierarchies into the SRM system** You can import external data sources, such as D&B family trees or your own existing vendor categories. This means that you can incorporate the latest market information into your vendor hierarchies. For example, new mergers and acquisitions in the supply base can immediately be taken into consideration in reporting.

Products

A product is a master record in SAP SRM that either represents a good (such as office supplies or a computer) or a service (such as maintenance of a computer). The product master provides information on the item being purchased. SAP SRM allows transactions to include goods or services that do or do not have product masters.

This information is stored in individual product master records, and can include:

- Header information
- Description
- Product category
- General and purchasing data
- Units of measure

Replicating Master Data

Material master records from SAP ECC can be transferred to the product master by the content manager or system administrator using middleware. Customizing information, which is transferred first, determines how the product ID is stored in the product master and which data can be created for a product. To check whether the material types, material groups, and service categories have arrived in the SRM system, call transaction COMM_HIERARCHY. You should see all the required data.

When initially downloading business objects from your SAP ECC back end, you can optionally define filters to restrict the variety of materials to be replicated. To check products, use transaction COMMPR01 or choose *Master Data* → *Products* → *Product Workbench* from the SAPCRM menu in SAP SRM.

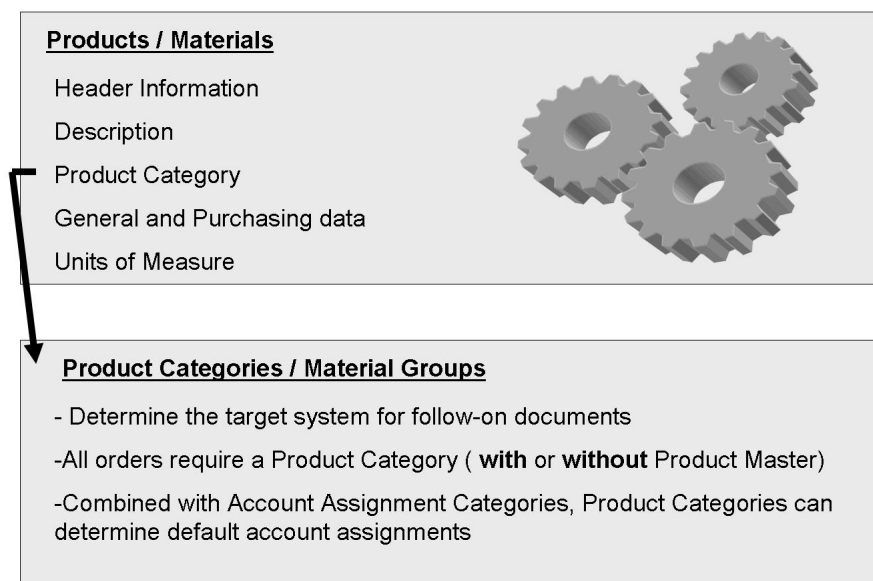


Figure 52: Products and Product Categories

Product Categories

Product categories are a way to group individual products or services together according to different criteria (for example, computers, electrical, or office supplies). The primary function of the product category is to determine in which system a purchasing document will be created after an SAP SRM shopping cart is saved.

Product categories originate in either SAP SRM or SAP ECC. Product categories are either manually maintained in the SRM system or they are SAP ECC material groups that are replicated to SRM. The *Material group* field is required in material master and service master records in SAP ECC. Product categories must be included on each line of a shopping cart whether there is a product master or free text description. Product category configuration rules that are established in SAP SRM determine the following:

- Product categories determine the target system for follow-on documents.
- Combined with account assignment categories, product categories can determine default account assignments.

For example, electronics and office materials are two available product categories. **Electronics** is configured to create purchasing documents in the backend system, which is SAP ECC. **Office materials** is configured to create local purchasing documents in the SRM system. A shopping cart is created with two line items. Line item one is a calculator, which is assigned to product category electronics, and line item 2 is pens, which is assigned to product category office materials. After the cart is saved and approved, a purchase order is created in SAP ECC for the calculator and another is created locally in SRM for the pens.

You can assign product categories to hierarchies, for example, you can present product category data in a hierarchical order. A product category hierarchy can consist of multiple levels and can include backend product categories and backend product category hierarchies. This provides you with the following advantages:

- **Easier and quicker assignment of Customizing attributes to product category data:**

Once a product category is assigned to a hierarchy, you can configure all subordinate product category levels to inherit the relevant Customizing attributes, for example, responsibilities or authorizations, tax codes, or accounting data.

- **Improved search function:**

You can use product category hierarchies to extend your search possibilities, for example, you can search in superordinate or subordinate hierarchy levels rather than just in a single product category.

- **Improved reporting function:**

Provides you with a better understanding of purchasing activities and spending habits.

Organization Plan

The Organization Plan in SRM serves many important functions. It is mapped to the structure of your Organization in terms of companies, locations, departments and groups. A hierarchy of Organization Units are created to represent these entities. The users in SRM are assigned to one of the Organization Units. The Organization Plan must be maintained by the Administrator as the structure of your enterprise changes. The Organization Plan can be created and maintained manually in SRM or may be replicated from an SAP ECC Human Resources Organization Structure.

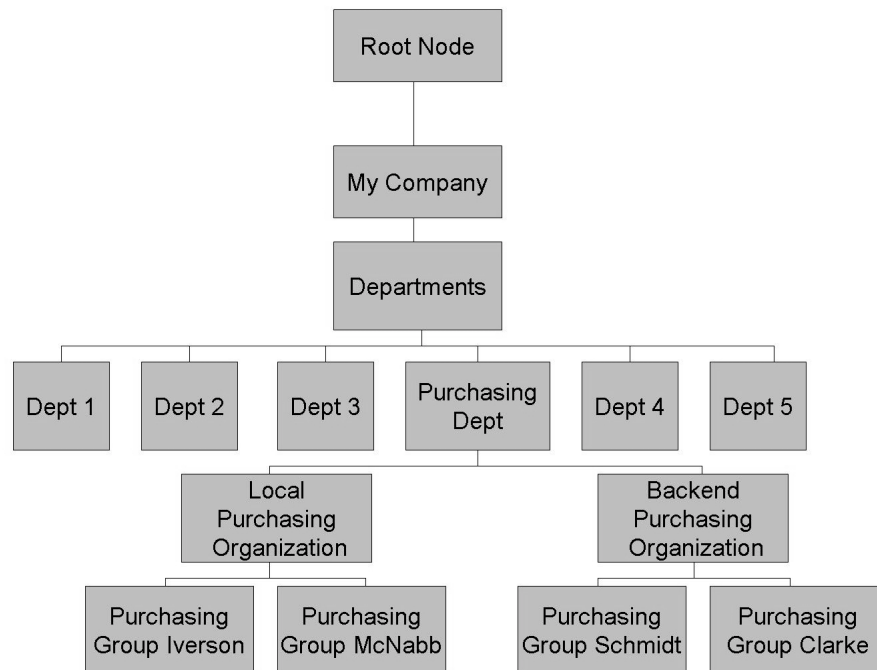


Figure 53: Organization Plan in SRM

Attributes are predefined values that are maintained for the various Organization Units.

- Company Codes
- Plants
- Storage Locations
- Account Assignment Categories
- Cost Centers
- Catalogs
- Purchasing Document Type

Attributes maintained at the Root Node in the Organization Plan are usually inherited by the nodes below it. Changes or additions to inherited attributes at the lower nodes is also possible. The attributes are utilized by users creating shopping carts. It may be possible for a user to have multiple values for a give attribute. For example, a user may more than one account assignment category to choose from when creating a shopping cart, such as Cost Center, Asset and WBS Element. In this case they could set one of these as their default and choose from the other options as needed.

SRM automatically determines the responsible purchasing organization and purchasing group for every shopping cart item. This is made possible by the assignment of organization responsibility to every purchasing group. For example, purchasing group 010 is assigned responsibility for department 1, while

purchasing group 011 is assigned responsibility for department 2. In addition to assigning organization responsibility you may also assign Product Category responsibility to the purchasing groups. If the system determines there is more than one possible purchasing group for a shopping cart item the requestor would have the options of choosing one of them.

Depending on what technical scenarios you implement, you may have some Local Purchasing Groups who are responsible for processing Local Purchase Orders. In this case you will need to assign users with a Purchaser role to these Purchasing Groups. These Purchasers will be assigned to the Local Purchase Orders created, depending on their Organizational and Product Category responsibilities. These Purchasers will be responsible for processing the Local Purchase Orders and Requirements that are incomplete.



General Attributes (BBP) Change

04/04/2005 + 3 Months

assignments (structure)	Code	ID	Business partn...	Valid from	Valid to	Assigned as...	Assigned until	Perc...
Phoenix Enterprises, Inc.	Phoenix	O 50000607	0000000031	05/06/2002	Unlimited			
Phoenix Enterprises One SAPSRM	Phoenix 1	O 50000608	0000000032	05/06/2002	Unlimited	05/06/2002	Unlimited	
David Director	Director	S 50000691		05/06/2002	Unlimited	05/06/2002	Unlimited	
PH1 Operations 2	PH1 OP2	O 50001207	0000000331	11/27/2002	Unlimited	11/27/2002	Unlimited	
PH1 Support	PH1 Support	O 50000610	0000000034	05/06/2002	Unlimited	05/06/2002	Unlimited	
PH1 Operations 1	PH1 OP1	O 50000616	0000000040	05/06/2002	Unlimited	05/06/2002	Unlimited	
Central R/3 Purchasing Department	Central R/3	O 50000612	0000000036	05/06/2002	Unlimited	05/10/2002	Unlimited	
PH1 PGRP 010	PH1 PGRP	O 50000614	0000000038	05/06/2002	Unlimited	05/06/2002	Unlimited	
CHANNEL DP_MRP_APO	CHANNEL	O 50000893	0000000128	05/10/2002	Unlimited	05/10/2002	Unlimited	
PH1 PGRP 010	PH1 PGRP	O 50000614	0000000038	05/06/2002	Unlimited	05/06/2002	Unlimited	

Details for Organizational unit PH1 PGRP 010

Basic data Address Function Responsibility Attributes Extended Attributes Check

Product Responsibility

Product Category	to Product Category	SourceSys.	D	
001	R1233	T90CLNT09...		

Organizational Responsibility

P	Object ID	Object name	
	50000607	Phoenix Enterprises, Inc.	

Figure 54: Purchasing Group Responsibility

SAP Business Workflow utilizes the Organization Plan to determine the responsible approver(s) for shopping carts and new users created using the self-service scenario. For example, if you are using the standard one step workflow for shopping cart approval, the system determines the approver to be the manager of the requestor's organization unit. In the case of the two step workflow for shopping cart approval, the first approver is the manager of the requestor's organization unit and the second approver is the manager at the next level of the organization structure. If you are using the ad-hoc feature, it may be possible for a requestor to change the approver(s) determined by the system.

Exercise 3: Check the Availability of a Product

Exercise Objectives

After completing this exercise, you will be able to:

- Perform an availability check for a product

Business Example

You want to know the availability of products in different plants during the creation of shopping carts.

Task: Run an Availability Check

As an employee, run an availability check for a product from a shopping cart.

1. Identify the availability of 10 pieces of product T-SRM## in the Atlanta and New York plants while creating a shopping cart. Do not save the shopping cart.

Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Solution 3: Check the Availability of a Product

Task: Run an Availability Check

As an employee, run an availability check for a product from a shopping cart.

1. Identify the availability of 10 pieces of product T-SRM## in the Atlanta and New York plants while creating a shopping cart. Do not save the shopping cart.

Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Service* → *Shop* → *Internal Goods/Services*.



Hint: Do not use any of the Microsoft Internet Explorer standard buttons, such as *Back*, *Forward*, or *Refresh*, as this will cancel your transaction in SRM. Only use the menu options and buttons within SRM.

- c) Enter **T-SRM##** in the *Product ID* field.
- d) Enter **10** in the *Quantity* field and then choose *OK*.
- e) Choose the *Details* button, in the top of the ' Items in Shopping Cart ' Section.
- f) Confirm Atlanta in the *Location / Plant* field .
- g) Select the *Availability* tab.
- h) Add 10 days to *the Delivery Date*.
- i) Choose the *Check Availability* button to run the availability check.

Continued on next page

A red, yellow or green light appears at the top of the *Availability* section. Red means the required quantity is not available on the required date. Yellow means the required quantity is partially available on the specified date. Green means the requested quantity is available.

- j) Go back to the *Item Data* tab, and select New York in the *Location / Plant* field. You will need to search, using the *F4* or the *F4 ICON*, to get to a complete list of locations.
- k) Go back to the *Availability* tab and choose the *Check Availability* button to run the availability check.
- l) Change the *Quantity* to 9999, and select the *Check Availability* button

A red, yellow or green light appears at the top of the *Availability* section. Red means the required quantity is not available on the required date. Yellow means the required quantity is partially available on the specified date. Green means the requested quantity is available.

Also, notice the system now presents the **Availability Overview** , displaying available quantities and locations.

- m) Choose *Close*. Select *Ok* to confirm Unsaved Data will be lost.
The shopping cart will not be saved, since you are leaving with out saving it.
- n) Choose *Log off*. Select *Ok* to confirm You are sure you want to Log Off.

Exercise 4: Create a Shopping Cart that follows the Classic Scenario

Exercise Objectives

After completing this exercise, you will be able to:

- Create a shopping cart
- Order items that will result in follow-on documents in the ECC
- Display and change the resulting documents in the ECC

Business Example

Certain items ordered in SRM, based on their product category, will result in follow-on documents in the ECC (Classic Scenario.) In some cases, changes may need to be made to these documents. It is important that changes made to these documents will be reflected in the shopping cart.

Task 1: Create a Shopping Cart

Create a shopping cart named **Classic##** with the following items:

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Item 1: Describe Requirement

<i>Description</i>	Airplane Power Adapter for IBM T41
<i>Quantity</i>	1
<i>Unit of Measure</i>	Each
<i>Price</i>	90 (You do not need to select the currency. The default currency American Dollar will automatically be used.)
<i>Category</i>	Electronics (The category ID is 002.)
<i>Required on</i>	One week from today

Item 2: SRM-MDM Catalog

<i>Description</i>	Wireless Mouse
<i>Quantity</i>	2
<i>Required on</i>	One week from today

Item 3: Internal Goods/Services

<i>Product ID</i>	T-SRM##
<i>Quantity</i>	1
<i>Required on</i>	One week from today

1. Log on as SRMUSER-##.
2. Begin the process to create a shopping cart by adding **1** of **Airplane Power Adapter for IBM T41** with a price of **90**. Assign the product category **Electronics**.

Continued on next page

3. Add a *Wireless Mouse* from the SRM-MDM Catalog as the second item in the shopping cart.
4. Add the product **T-SRM##** as the third item in the shopping cart.
5. Save the shopping cart with the name **Classic##**.

Task 2: Identify Systems and Documents

Identify what follow-on documents were created for your shopping cart items and determine whether they were created in SRM or the ECC system.

1. Check the status of your shopping cart **Classic##** to determine what follow-on documents were created. Also determine in which system these documents were created.

Task 3: Change Purchase Order in the ERP system

Change the PO quantity for the wireless mouse in the ECC system. After changing the PO, verify the shopping cart is updated.

1. Log onto the ECC system with the following information:

<i>Client</i>	800
<i>User ID</i>	ERP-##
<i>Password</i>	Provided by Instructor

2. Change the PO for the wireless mouse, making the order quantity 1 instead of 2.
3. Verify SRM has been updated to show the changed order quantity for the wireless mouse.

Solution 4: Create a Shopping Cart that follows the Classic Scenario

Task 1: Create a Shopping Cart

Create a shopping cart named **Classic##** with the following items:

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Item 1: Describe Requirement

<i>Description</i>	Airplane Power Adapter for IBM T41
<i>Quantity</i>	1
<i>Unit of Measure</i>	Each
<i>Price</i>	90 (You do not need to select the currency. The default currency American Dollar will automatically be used.)
<i>Category</i>	Electronics (The category ID is 002.)
<i>Required on</i>	One week from today

Item 2: SRM-MDM Catalog

<i>Description</i>	Wireless Mouse
<i>Quantity</i>	2
<i>Required on</i>	One week from today

Item 3: Internal Goods/Services

<i>Product ID</i>	T-SRM##
<i>Quantity</i>	1
<i>Required on</i>	One week from today

1. Log on as SRMUSER-##.

Continued on next page

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

2. Begin the process to create a shopping cart by adding **1** of **Airplane Power Adapter for IBM T41** with a price of **90**. Assign the product category **Electronics**.

- a) Choose *Employee Self-Service* → *Shop* → *Describe what you need* so you can order a “free text” good.



Hint: Do not use any of the Microsoft Internet Explorer standard buttons, such as *Back*, *Forward*, or *Refresh*, as this will cancel your transaction in SRM. Only use the menu options and buttons within SRM.

- b) Enter **Airplane Power Adapter for IBM T41** in the *Description* field.
c) Select **Electronics** in the *Category* field.



Hint: Category ID 002

- d) Enter **1** in the *Quantity* field.
e) Enter the unit of measure **EA** in the field to right of the *Quantity*.



Note: Search for this unit of measure if it is not in the list. **Each** has an ID of EA

- f) Enter **90** in the *Price* field.



Hint: You do not need to choose the currency. The default currency American Dollar will automatically be assigned.

- g) Select **one week from today** as the *Required on* date.
h) Select *OK*.
i) Choose *Add Item* to add more items to the cart

Continued on next page

3. Add a *Wireless Mouse* from the SRM-MDM Catalog as the second item in the shopping cart.
 - a) Choose *SAP SRM-MDM Catalog*.
 - b) Enter **Wireless mouse** in the *Keyword* field and select *Search*.
 - c) Select **Aramingo## Inc.** from the list of Suppliers.
 - d) Enter **2** in the *Quantity* field for the item from the supplier **Aramingo## Inc.**
 - e) Choose the *Shopping cart* icon under the *Action* column
 - f) Choose *Cart Preview*
 - g) Choose the *Choose Transfer Item [s]*
 - h) Choose *Add Item* to add more items to the cart.
4. Add the product **T-SRM##** as the third item in the shopping cart.
 - a) Choose *Internal Goods/Services*.
 - b) Enter **T-SRM##** in the *Product ID* field..
 - c) Enter **1** in the *Quantity* field.
 - d) Select **one week from today** as the *Delivery Date*
 - e) Choose *OK*.
5. Save the shopping cart with the name **Classic##** .
 - a) Choose *Next*.
 - b) Enter **Classic##** as the *Name of the Shopping Cart*.
 - c) Choose *Order*.
 - d) Choose *Close*

Continued on next page

Task 2: Identify Systems and Documents

Identify what follow-on documents were created for your shopping cart items and determine whether they were created in SRM or the ECC system.

1. Check the status of your shopping cart **Classic##** to determine what follow-on documents were created. Also determine in which system these documents were created.
 - a) Choose *Refresh* to update the *Shopping Carts Query*
 - b) Select the shopping cart named **Classic##**. It does not matter which line item you choose. You will get the same result.
 - c) Select the *Related Documents* tab, in the Item Detail section of the Shopping Cart.
 - d) Notice the Document type and number. Scroll through line items, using the *Arrows* at the top of Item Details section. Write down the type of document (Purchase Order, Purchase Requisition or Reservation) and the number, you will need this for the next task.



Hint: A document listed under the column *Backend Document Number* was created in the ECC system.

- e) Do not log off!

Task 3: Change Purchase Order in the ERP system

Change the PO quantity for the wireless mouse in the ECC system. After changing the PO, verify the shopping cart is updated.

1. Log onto the ECC system with the following information:

<i>Client</i>	800
<i>User ID</i>	ERP-##
<i>Password</i>	Provided by Instructor

- a)

Continued on next page

2. Change the PO for the wireless mouse, making the order quantity 1 instead of 2.

- a) Enter transaction **ME22N** in the command field



Hint: The command field is in the upper left corner of the screen

- b) Select *Purchase Order* → *Other Purchase Order* from the menu options at the top of the screen.
- c) Enter the P.O. number for the wireless mouse in the PO field and choose *Other Document*
- d) Choose the *Display/Change* icon to toggle into change mode.
- e) Change the *PO Quantity* from 2 to 1
- f) Select the *Save* icon.
- g) Enter transaction **/NME53N** in the command field to display the Purchase Requisition created for the Airplane Power Adapter for IBM T41.
- h) Select *Purchase Requisition* → *Other Requisition* from the menu options at the top of the screen.
- i) Enter the purchase requisition number for the Airplane Power Adapter.
- j) Enter transaction **/NMB23** in the command field to display the reservation created for product T-SRM##
- k) Enter the reservation number created for the product T-SRM##

3. Verify SRM has been updated to show the changed order quantity for the wireless mouse.

- a) Switch back to your SRM session.
- b) Navigate to the *Related Documents* tab of the Wireless Mouse
- c) Choose *Refresh*
- d) Select the text *Purchase Order*

The *Quantity Ordered* is 1



Note: The Shopping Cart quantity will still be 2, since this was the original quantity requested.

- e) Choose *Close Window*
- f) Choose *Close*



Lesson Summary

You should now be able to:

- Explain business partners
- Explain the use of product masters
- Describe role of product categories
- Explain the role of the Organization Plan in SRM

Lesson: SRM-MDM Overview

Lesson Overview

This lesson will introduce you to the SAP SRM-MDM catalog.



Lesson Objectives

After completing this lesson, you will be able to:

- Describe the component of the SRM-MDM catalog
- Understand the process flow of the SRM-MDM catalog.
- Explain the features of the SRM-MDM user interface

Business Example

Your company has decided to use a combination of external vendor catalogs and an internal catalog. You need to gain a better understanding of SAP's internal catalog solution.

SRM-MDM Introduction

SRM-MDM is the standard delivered catalog application for SRM. The SRM-MDM Catalog is based on functions provided by SAP NetWeaver Master Data Management (SAP NetWeaver MDM) and bundles together in one specific application those MDM functions that you need for catalog content management.



Note: SRM-MDM represents a subset of the total MDM functionality. Only the MDM modules needed to support an internal purchasing catalog are included with SRM-MDM.

For example, the MDM Syndicator, Publisher and Image Manager are not included with SRM-MDM. These components are used to support other IT and Business scenarios, such as Central Master Data Management and Master Data Consolidation.

SRM-MDM is the latest and most capable catalog application used for SRM. Historically, other catalog applications that have been used with SRM include:

- 2007: SRM-MDM
- 2004: SAP Catalog Content Management (SAP CCM)
- 1999: Requisite eMerge and BugsEye



Note: SAP will provide support and maintenance to customers using SAP CCM through 2013, however it is not be compatible with SRM 7.0. Only customers using previous versions of SRM will be able to use the CCM catalog.



Note: SAP support for Requisite products ended in 2006.

Users can search the SRM-MDM Catalog to locate products and services from suppliers, which can then be transferred to various procurement documents. The Web-Dynpro based Search User Interface utilizes SAP's Open Catalog Interface (OCI) to communicate with SRM and the ERP system.

The SRM-MDM Catalog includes a preconfigured data repository for your catalog data. This standard repository comprises the main table called Catalog Items and a number of additional sub-tables, for example, for value lookups. A repository consists of:

- **Main Table:** Every MDM repository has one main table. The main table consists of object information. It includes an individual record for each object in the repository and an individual field for each piece of object information that applies to all of the records, such as SKU, product name, product description, manufacturer, and price for the object product. Most of the time, you will be looking at information in the main table. The main table in the SRM-MDM repository is called Catalog Items.
- **Sub-tables:** An SAP MDM repository can have any number of sub-tables. A sub-table is usually used as a lookup table to define the set of legal values to which a corresponding lookup field in the main table can be assigned; these tables hold the lookup information. For example, the main table may include a field called Manufacturer; the actual list of allowed manufacturer names would be contained in a subtable. Only values that exist in sub-table records can be assigned to the value of the corresponding lookup field in the main table.
- **Sub-tables:** An SAP MDM repository can have any number of sub-tables. A sub-table is usually used as a lookup table to define the set of legal values to which a corresponding lookup field in the main table can be assigned; these tables hold the lookup information. For example, the main table may include a field called Manufacturer; the actual list of allowed manufacturer names would be contained in a subtable. Only values that exist in sub-table records can be assigned to the value of the corresponding lookup field in the main table.
- **Object tables:** Object tables include the images, text blocks, and PDFs tables. An object table is a special type of lookup sub-table, where each object table is used to store a single type of object, such as images, text blocks, or PDF files. You cannot store an object directly in a main or sub-table field in an SAP MDM repository. Instead, each object is defined or imported into the repository once and then linked to a main or sub-table field as a lookup into the object table of that type.
- **Special tables:** Special tables include the Masks, Families, Relationships, Roles, Users, and Data Groups tables. Each special table has its own particular behavior with respect to how it is created and how it is managed.

SRM-MDM utilizes MS Windows based front end clients for Content Managers and Approvers, such as the MDM Console and MDM Data Manager. The following are included with SRM-MDM:



SRM-MDM Catalog

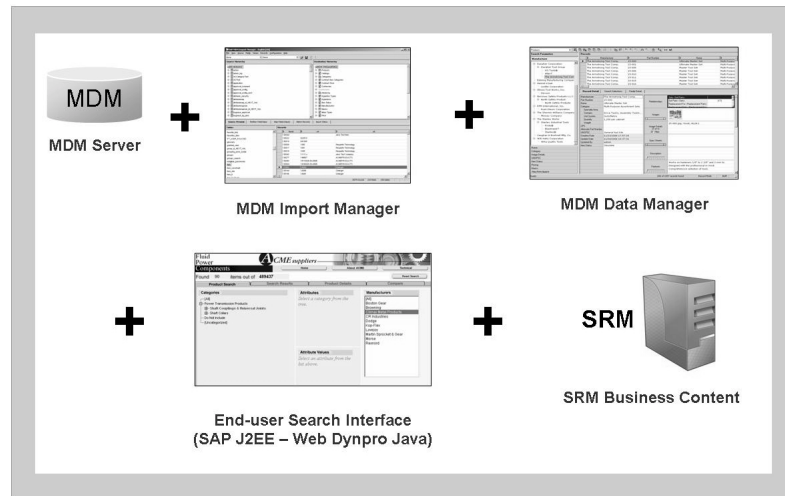


Figure 55: SRM-MDM Components

- **MDM Server**

The MDM Server manages access through the SQL DBMS to one or more MDM repositories containing master data, which it serves up to various clients across a network.

- **MDM Import Server**

The MDM Import Server can be used to schedule the automatic upload of data.

- **MDM Console**

The MDM Console allows the system manager to administer and monitor the MDM Server, and to create, maintain the structure of, and control access to the MDM repositories themselves. Records are not entered or managed with the MDM Console, but rather with client applications such as the MDM Data Manager.

- **MDM Import Manager**

The MDM Import Manager allows you to import data into an MDM repository from any tabular or XML format, with the same user interface and identical functional capabilities regardless of the source file format.

- **MDM Workflow**

You use functions in the MDM Data Manager to create, design, and, execute workflows. The import, change, or creation of records triggers MDM workflows. You use these MDM workflows for functions such as approving

catalog content. MDM workflows are designed using MS Visio® 2003 Standard. These workflows comprise predefined steps for user activities and workflow elements such as validations, approvals, and notifications.



Note: MDM workflows run independently of the SAP workflow framework and are not the same as other SAP SRM workflows.

- **MDM Data Manager**

The MDM Data Manager is the primary component of the MDM Server. It allows users to store, manage and update master data consisting of text, images, and other rich content, and to create taxonomies and relationships.

- **MDM Business Content**

This includes objects needed for XI and the extractors in ERP and SRM systems.

- **MDM Java API**

The MDM Java API enables Java applications to connect to an MDM Server and perform most of the functions available in the MDM Console and MDM Data Manager.



SRM-MDM Catalog

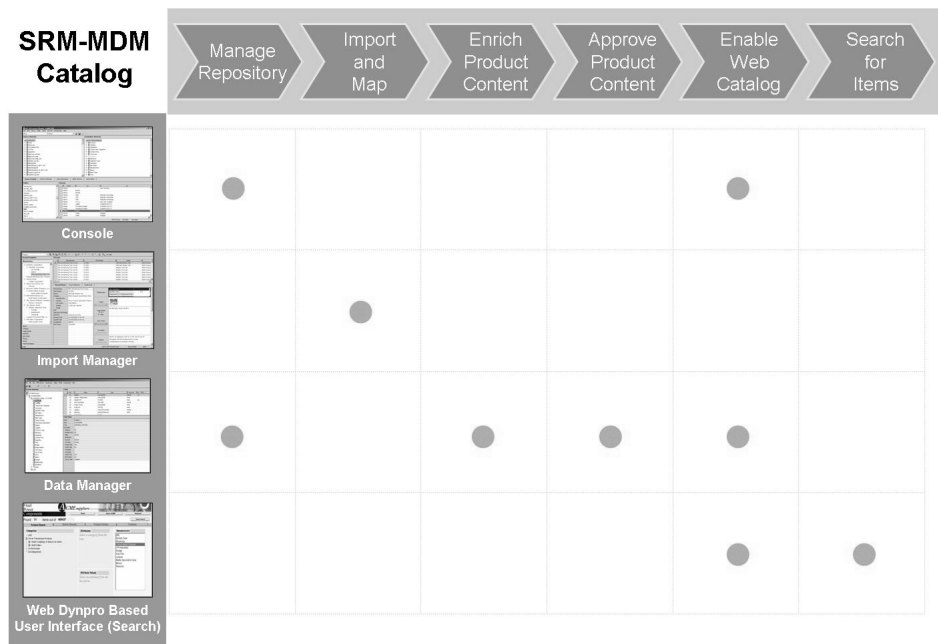


Figure 56: Process Steps and Components

You can upload content to the SRM-MDM catalog from various sources including suppliers, SAP SRM systems and SAP ERP systems. The supplier content can have any format supported by the standard SAP MDM application, such as MS

EXCEL, XML, or content from database systems such as MS SQL, MS ACCESS, or Oracle. The catalog content can be associated with classifications such as UNSPSC and eClass, for reporting or hierarchy searches.



After being imported via MDM Import Manager the content is validated and approved in MDM Data Manager, displayed in the SRM-MDM search UI and transferred to SRM Server

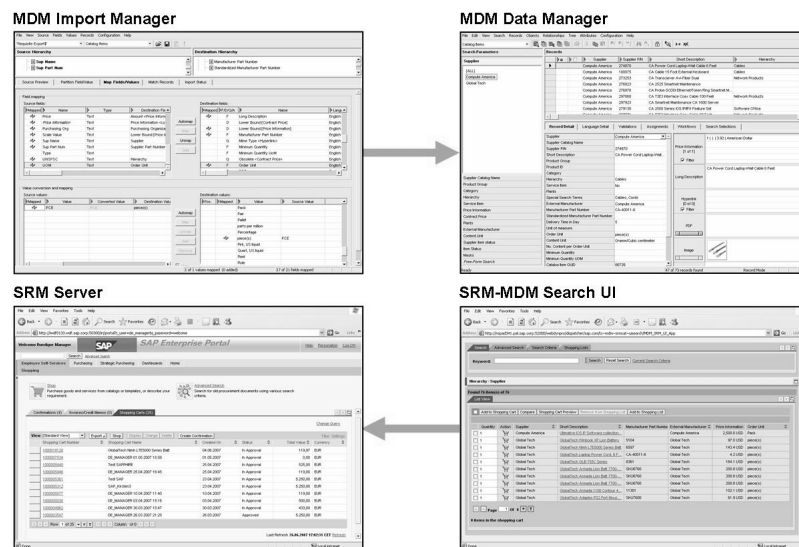


Figure 57: SRM-MDM Process Flow

You import classification structures and service data to the predefined repository structure of the SRM-MDM Catalog. Using this process, you can also upload contracts. You can match and merge product data from back-end systems with service data from suppliers. You can check and enrich the service data, for example, check whether new data has been assigned to the correct category in the taxonomy, and enrich data with additional information such as images and attachments.

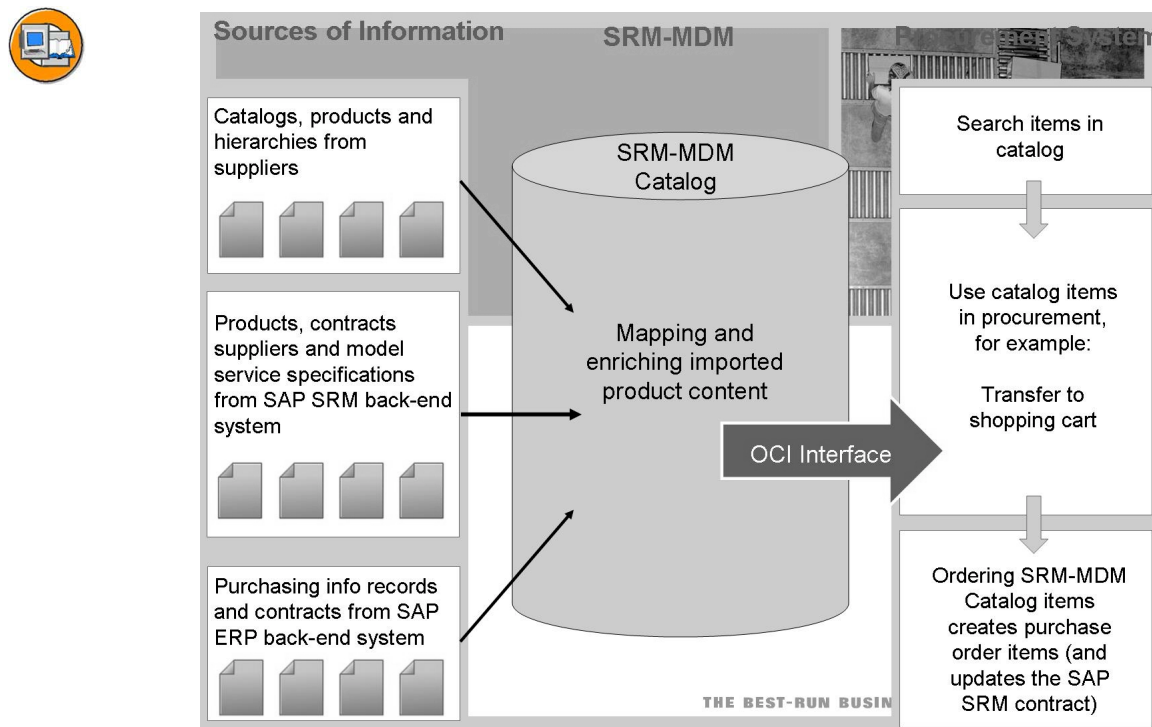


Figure 58: Sources of Information for SRM-MDM Catalog

Data from SAP systems that can be uploaded to SRM-MDM includes:

- Currencies
- Units of measure (ISO)
- Material Groups
- Purchasing Organizations
- Contract data (Materials)
- Purchasing Information Record data (Materials)
- Model Service Specification (MSS) created in MM-SRV



Model Service Specifications created in MM-SRV can be selected and transferred to the SRM-MDM catalog using transaction MECCM

Model Service Specifications Maintain

Service Specs Outline

STATION EQUIPMENT

01 Base course

02 Earth work and equipment

03 Earth retaining wall

04 L-type retaining wall

11 Earth work

12 Pit excavation

13 Excavation

14 Sheathing

91 Budget for security

92 Budget for security

93 Budget for security

94 Budget for security

Sh. Text STATION EQUIPMENT Total Value 0 JP

Services

Line	D.	Service No.	Short Text	Quantity	Un	Gross I
10		SPRJ_11	Concrete wall construction		M3	45.600
20		SPRJ_12	Basic stonewrok		M3	19.000
25						
30						
35						
40						
45						
50						
55						
60						
65						

Figure 59: Transfer Model Service Specifications from the ERP

- Currencies
- Units of measure (ISO)
- Product Categories
- Products
- Suppliers
- Contract data
- Service Hierarchy and Non Hierarchical Items from RFx Responses



Accepted quotations can be directly published to the SRM-MDM catalog

Display Response : 1105449

RFx Response Number 1105449 RFx Number 1215806 RFx Name C5106714_F2 06.10.2008 06:26:02 Status Accepted Supplier Name Vendor 1000 Total Value 12,673,12 EUR

Close Print Preview Refresh Export System Info Create Memory Snapshot

Rfx Information Items Notes and Attachments Conditions Approval Tracking

Item Overview

Select Purchase Order Type: CDE manual PO Create Purchase Order Simulate and Create Purchase Order Select Contract Type: Central Contract Create Contract Publish To Catalog

Line Number	Description	Variant	Lot	Accept	Item Type	Product ID	Product Category	Product Category Description	Required Quantity	Submitted Quantity	Unit	Price	Currency	Price Unit	Delivery Date	Total Value	
0001	Himalaya Traders				Outline		G4334009	classic SOC	1	1	EA	EUR			From 29.10.2008	1.730,00	
0002	Vehicle Maintenance				Outline		G4334009	classic SOC	1,000	1,000	EUR				On 29.10.2008	250,78	
0003	Oil Service				Outline		G4334009	classic SOC	1,000	1,000	EUR				On 29.10.2008	110,78	
0004	RESponse				Material		G4334009	classic SOC	0	10	EA	10,00	EUR		10	On 29.10.2008	10,00
0005	Vehicle Maintenance				Outline		G4334009	classic SOC	0,000	1,000	EUR				On 29.10.2008	250,78	
0006	Milagro Traders				Outline		G4334009	classic SOC	1	1	EA	EUR			From 29.10.2008	7.960,00	
0007	Slug for spiral castings				Material	100-110	G4334003	Sourcing Codip	12	12	ST	10,00	EUR		1	On 29.10.2008	120,00
0008	OUT-RFx				Outline		G4334009	classic SOC	1	1	EA	EUR			On 29.10.2008	1.910,78	
0009	Mat-RFx				Material		G4334009	classic SOC	11	11	EA	30,00	EUR		1	On 29.10.2008	330,00
0010	Supplement				Material		G4334009	classic SOC	0	10	EA	10,00	EUR		1	On 29.10.2008	100,00

Figure 60: Transfer of RFx Responses from SRM

The transaction MECCM is used to upload service hierarchies from SAP ERP and from the SAP SRM to RFX screens. The SAP SRM RFx screens support only the display of hierarchies. This enables the transfer of hierarchical specifications from MM-SRV to the SRM-MDM Catalog and in the SRM specifications; you can select an outline with its corresponding line and subtitle items, or individual line items and add them to the following SRM Business Objects:

For an existing MSS in the SRM-MDM catalog, the introduction of the catalog interface into RFx makes possible the following process:

1. Create new RFx
2. Connect to SRM-MDM Catalog
3. Add MSS items from SRM-MDM Catalog to RFx
4. Receive Quotes
5. Accept Quote
6. Create PO or Contract in Service Procurement (Classic Mode)

As contract items can be forwarded to the SRM-MDM Catalog, changes to prices are now updated in the existing SRM-MDM Catalog structure.

The basic process of importing data with the MDM Import manager typically involves the following steps:

1. 1. Connect to source data file or database and destination repository.
2. 2. Browse source tables, fields and records.
3. 3. Map fields from the source to the fields in the destination repository.
4. 4. Map and convert values to transform and normalize source data and destination data.
5. 5. Match records by specifying key fields to identify existing records in the repository.
6. 6. Save mapping for future loads.
7. 7. Specify the import action, such as create, update, skip or replace.
8. 8. Execute the import.

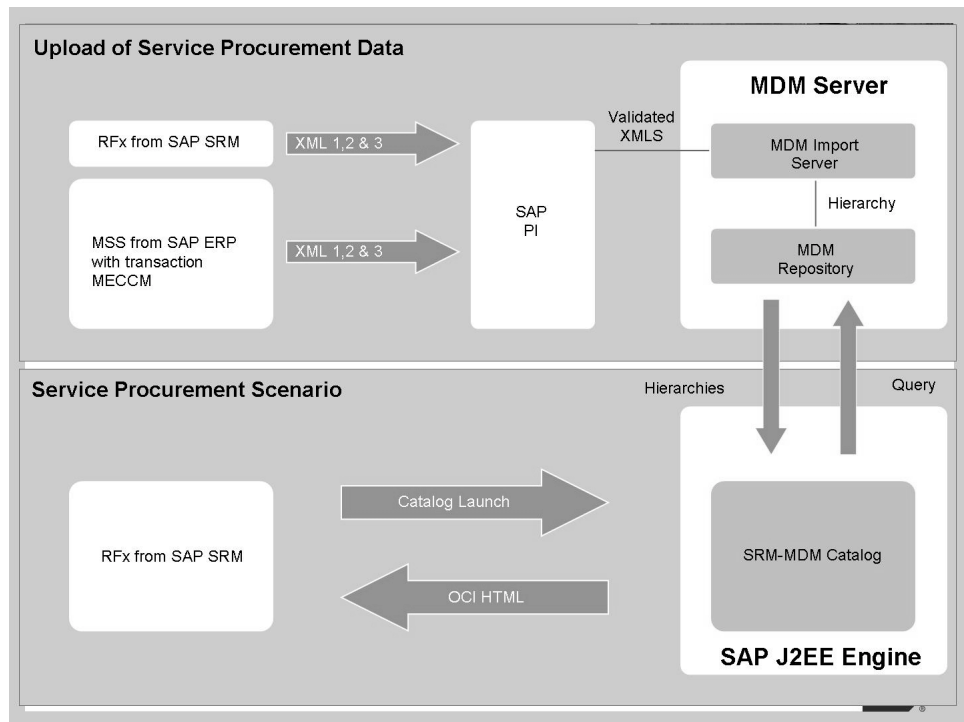


Figure 61: Upload and Usage of Service Procurement Data

Once data is loaded into a repository table, the catalog administrator can see the resulting records in the MDM Data Manager. In this module, the catalog administrator can display, edit, create or delete records.

You can create Validations and Assignments to check records in the Data Manager. For example, you can define a Validation to verify that certain fields in a repository table have been populated. Another example is using a Validation to determine if the price change to catalog items is within an allowed tolerance.

Named Searches can be created in the Data Manager to define different 'views' of the catalog. In the catalog definition in SAP SRM, these Named Searches can be part of the Catalog Call Structure. You can define different catalogs in SAP SRM (each with a unique Named Search or view), providing you the ability control users access to certain items within the catalog.


The Matching Mode in Data Manager allows you identify duplicates within a repository table and merge records. You define strategies that include different rules to help you locate potential duplicate records.

The SRM-MDM catalog comes with a fully configurable Web Dynpro based search user interface. The UI Configuration Manager role allows catalog administrators to create a default setting for the UI as well as user specific settings.

The SRM-MDM catalog search is integrated with the following SAP SRM and SAP ERP business scenarios:

- • SRM: Self-Service Procurement
- • SRM: Service Procurement
- • SRM: Contract Management
- • ERP: Purchase Requisition (as of ECC 6.0)
- • ERP: Purchase Order (as of ECC 6.0)
- • ERP: Work Order (SAP Plant Maintenance/ SAP Project System)

The search UI allows users to search the catalog using the following methods:

- • Text based search: Available as default.
 **Note:** SRM-MDM does not use TREX for text based searches.
- • Hierarchy (drilldown search): A drilldown option allowing users to narrow their search range by selecting a category prior to entering a keyword. When you are configuring this option, you specify the selection list (for example Supplier, Item Type, and so on). Depending on user requirements, the Hierarchy and corresponding Selection List can be shown in the Search Tab, Advanced Search Tab, or not at all.
- • Advanced search: This can be set as the default search, if required. In the Customize Search tab, you can select one of three search criteria types for the advanced search fields: Dropdown, Free form, or Ranges.
- • Attribute Search: This can be made available if your SRM-MDM repository is using the Taxonomy feature. Taxonomy can be used to define attributes (or characteristics) related to categories. For example, the category is Monitors, the attributes for this category are screen size and resolution.

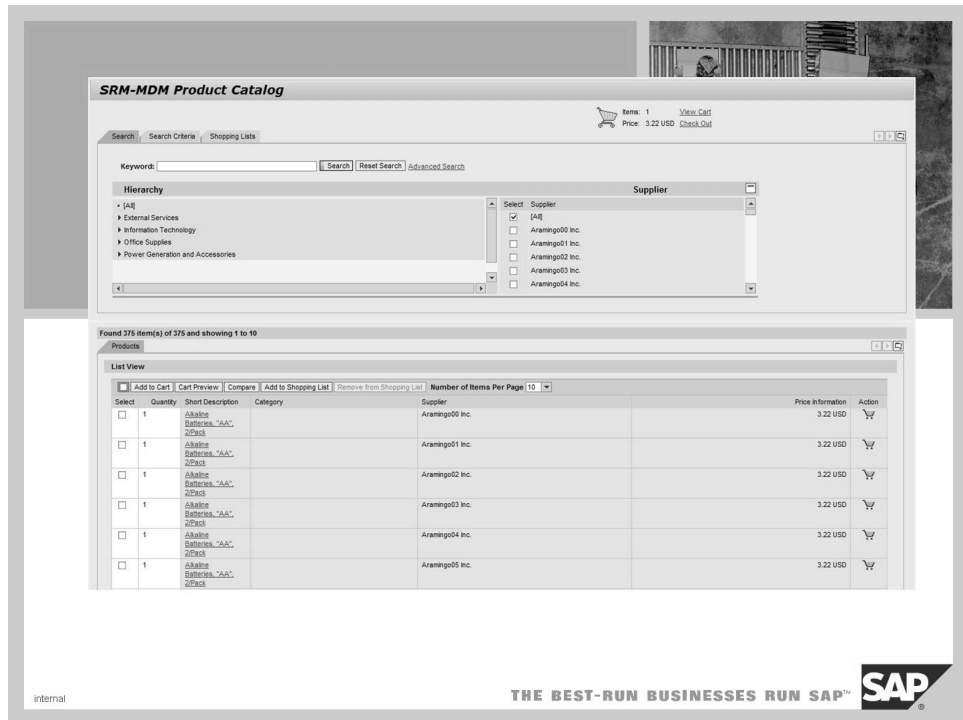


Figure 62: SRM-MDM Search User Interface: Product Catalog

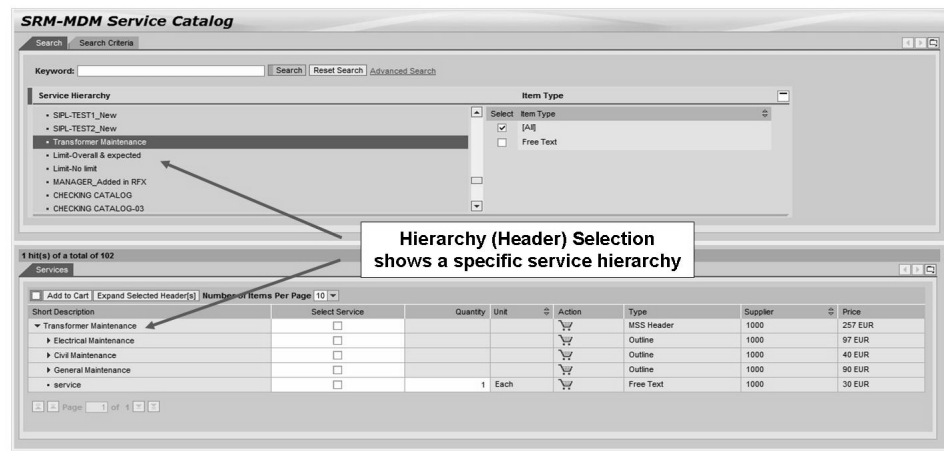


Figure 63: SRM-MDM Search User Interface: Service Hierarchy

The following options are available for the UI view of the application:

- • Context View: Displays items with an enlarged image size along with multiple configurable user fields such as Supplier Part Number and Manufacturer Number.
- • List View: Displays items as a list with a short description on which users can click to trigger access to the item details. Images are also available.
- • Hierarchy (category) View: Allows you to drilldown when searching. This view also displays product attributes, if they have been maintained.

The following shopping options are available within the application:

- • Shopping Cart: This setting does not offer the Shopping Cart Preview before transferring items to the shopping cart application.
- • Shopping Cart Preview: This setting offers the possibility of previewing the shopping cart before transferring items to the shopping cart application.
- • Shopping Lists: allows users to save a collection of items without quantity that can be used as a template for future orders.
- • Catalog Exploring (Display Only): This setting is for display only. Purchasing items is not possible.



Lesson Summary

You should now be able to:

- Describe the component of the SRM-MDM catalog
- Understand the process flow of the SRM-MDM catalog.
- Explain the features of the SRM-MDM user interface

Lesson: SAP Catalog Content Management (Optional)

Lesson Overview

This lesson will provide an overview SAP Catalog Content Management. You will examine the processes available for authoring catalog data as well as the search features of the catalog.



Lesson Objectives

After completing this lesson, you will be able to:

- Explain the process of the SAP Catalog Authoring Tool
- Explain the features of the SAP Catalog Search Engine

Business Example

Your purchasing department needs to manage an internal catalog that will contain products from multiple suppliers. They will use SAP CCM for this process. Requisitioners will frequently use the SAP Catalog to order items, utilizing the Search Engine.

Catalog Authoring Tool



Catalog Authoring Tool

- Load XML (eCX®, BMECat) and CSV files format from external sources
- Load internal data (source = R3 / SRM)
- Technical quality check (control of catalog structure)
- Classification of products in schemas (UNSPSC, ecl@ass, private schema)
- Enrichment (buyer specific data, etc..)
- Characteristic values check (authorized values)
- Approval Process
- Distribution to Search Engine

Catalog Search Engine

- Quick search, refinement
- Navigation thru hierarchical classification
- Alphabetical index
- Details, pictures
- OCI 4.0 compliant

Figure 64: SAP CCM Key Capabilities

With SAP Catalog Content Management you can create and manage a unified e-commerce catalog using tools that import data from external sources, maintain consistent schemes, and index items for faster search capabilities.

The Catalog Authoring Tool (CAT) is used for the following processes:

- Uploading content
- Managing content
- Publishing content

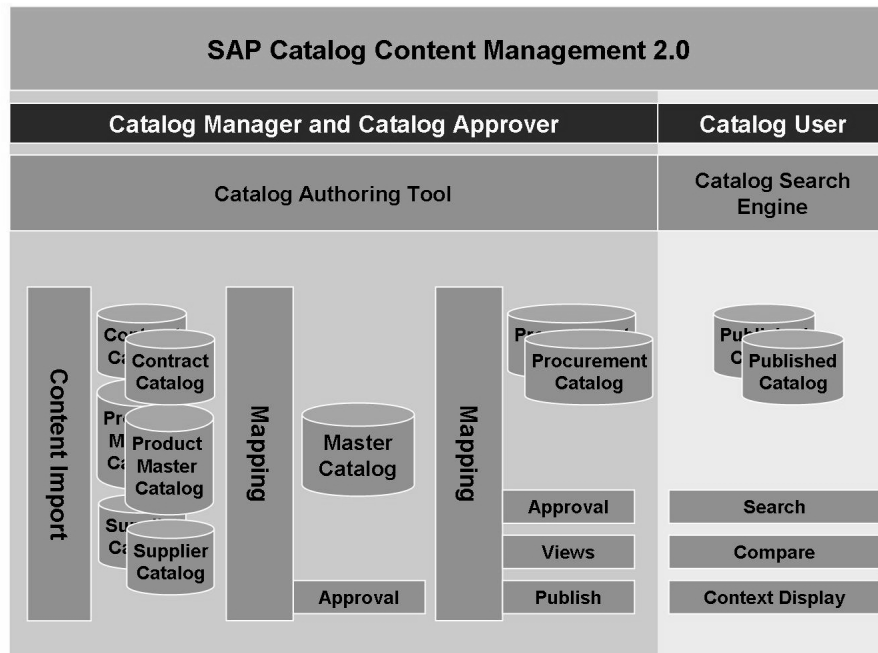


Figure 65: CCM Process

You can upload content into the SAP Catalog from the following sources:

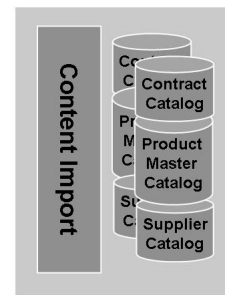
- Schemes and product data provided by external suppliers
- Product data and contract data from SAP SRM

CCM Catalog Types

Master Catalog	The catalog in SAP Catalog Authoring Tool that determines the central classification system for products that is to be used within the company.
Supplier Catalog	A catalog that has been provided by a supplier and uploaded into SAP Catalog Authoring Tool.
Contract Catalog	A catalog in SAP Catalog Authoring Tool containing items that are created according to contract information provided by SRM Server.
Product Catalog	When you transfer SRM product data to SAP Catalog Content Management for the first time, the system automatically creates a catalog of type SRM Product Catalog
Procurement Catalog	The Catalog Manager can map items contained in the master catalog to procurement catalogs. If a procurement catalog has been published, its content is available in SAP Catalog Search Engine.



Component	Catalog authoring tool
Role	Catalog manager
Tasks	Collect data from different content sources Technical validation



Content from suppliers

- Structures (classifications and attributes)
- Data (list of items)
- Supported input formats
 - ◆ Text (CSV1.0 and CSV2.0)
 - ◆ XML (SAP catalog XML, BMECat 1.2, and Requisite ecXXML)

Content from systems

- Contract data from SAP SRM system
- Product masters from SAP SRM system
- Material masters from SAP ERP system

Figure 66: Step 1: Organize Content Import

Content Upload Step	Component
Upload schema	SAP Catalog Authoring Tool
Upload supplier product data	SAP Catalog Authoring Tool
Transfer product data	SAP SRM
View product data	SAP Catalog Authoring Tool
Transfer contract data	SAP SRM
View contract data	SAP Catalog Authoring Tool



Hint: If you are using SAP Catalog Content Management with SAP SRM, you can also process product data and contract information from SRM in SAP Catalog Authoring Tool.

If you upload a file from your supplier that contains both a catalog schema and the catalog content, the system uploads both the schema and the content together, in one process. If your supplier provides you with two separate files, one containing a schema and the other containing the content, you upload the schema first, and then the content.

- CSV1.0
- CSV 2.0
- BMEcat version 1.2



Note: You can upload catalogs in BMEcat format only if you are using SAP Catalog Content Management with SAP Exchange Infrastructure. End of the note.

- eCX XML version 2.0 or 3.0



Note: You can upload catalogs in eCX XML format only if you are using SAP Catalog Content Management with SAP Exchange Infrastructure. End of the note.

Enabling Supplier-Managed Content: You can use this business process to enable your suppliers to upload their own product catalogs to SAP Catalog Content Management 2.0. The upload functionality is provided by Business Package for Supplier Collaboration 2.0. When a supplier uploads catalog data, the catalog manager can view the consequences of accepting the data before the changes are actually transferred to the master catalog. If necessary, the catalog manager can prevent the changes from being transferred to the master catalog by rejecting the upload or by changing the mapping assignments.



Component	Catalog authoring tool
Role	Catalog manager
Tasks	Map source catalogs into a unique master catalog
	Technical approval

Master catalog

- Is a unique catalog environment in which all source catalogs must be mapped
- Is the home of the catalog manager
- Global catalog structure (classification and attribute)

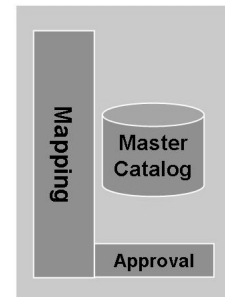
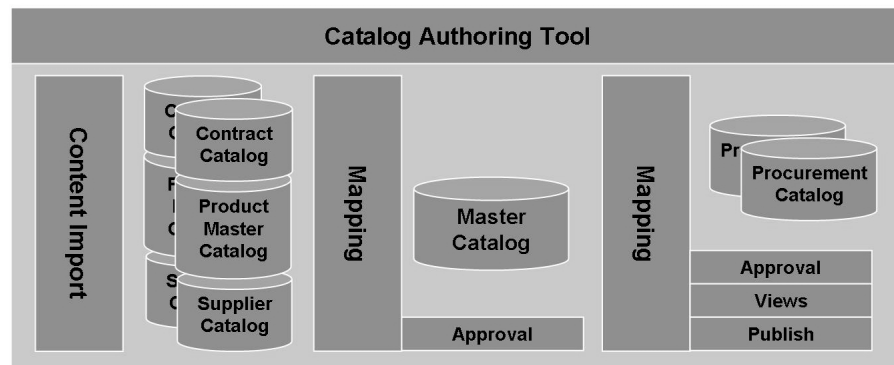


Figure 67: Step 2: Manage Master Catalog

SAP CCM enables you to transfer product data and contract data from SAP SRM to SAP Catalog Content Management. You can then use SAP Catalog Content Management to process the data. Use the report `BBP_CCM_TRANSFER_CATALOG` to transfer the SRM product data that you want to process in SAP Catalog Content Management. Catalog items are transferred to the catalog by selecting the *Distribute Contract to Catalog* indicator. When you transfer a contract to SAP Catalog Content Management, the system compares the items in the contract with supplier catalogs and SRM product catalogs that already exist in SAP Catalog Authoring Tool. If an item in the contract is the same as an item in an existing supplier catalog or SRM product catalog, SAP Catalog Contract Management automatically:

- Copies the additional values available in the supplier catalog or SRM product catalog to the contract catalog
- Maps the contract information for the item to the master catalog, if the corresponding item in the supplier catalog or SRM product catalog has been assigned for mapping



Business Add-Ins

1. Upload BAdI

- Enrichment and modifications

2. Conversion

- XML conversions
- (in SAP NetWeaver XI)

3. Approval Status BAdI

- Approval rules

4. Integration BAdI

- Merging back-end data with supplier data

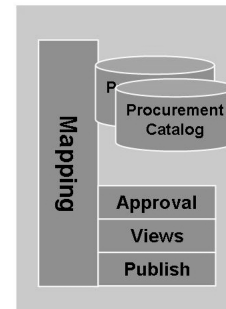
Figure 68: Customer Specific Functionality using Business Add-Ins

Catalog Administrators can use CCM to manage content by classifying, enriching and approving data that you have uploaded or transferred to SAP Catalog Authoring Tool. The following features are available to help manage content:

- Configure mapping rules to map content from supplier catalogs, and SRM product and contract catalogs, to your master catalog and procurement catalogs
- Enrich item data by adding characteristics or characteristic values
- Configure rules that determine which items are approved automatically, and which items must be approved manually before the items can be mapped and published
- Including images in your catalog by specifying the URL where the image is stored.
- Maintain different language versions for a catalog



Component	Catalog authoring tool
Role	Catalog manager
	Catalog approver
Tasks	Map source catalogs into many procurement catalogs
	Business approval
	Define views
	Publish procurement catalogs in search engine



Procurement catalogs

- Are subsets of the master catalog for a particular business requirement (region, language, commodities, and so on)
- Buyer structure (classification and attribute)

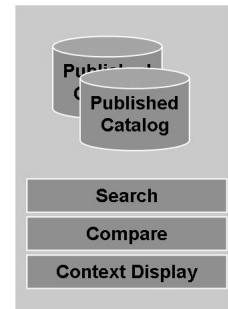
Figure 69: Step 3: Manage Procurement Catalog

By publishing a catalog, you make it available for use in SAP Catalog Search Engine. You have the option of creating views for each catalog to determine which catalog items are visible to particular groups of users in SAP Catalog Search Engine. After defining a view, you must publish the catalog and then assign the view to a role. When users with that role use SAP Catalog Search Engine to search in the catalog, they can see only those characteristics and items that you included in the view.

When you publish a catalog, SAP Catalog Authoring Tool creates a copy of the catalog in both SAP Catalog Search Engine and TREX. The copy includes both the item data, and the relationships between the different entities within the catalog, such as the items, categories, and characteristics. If you publish a catalog that contains some items with the status To Be Approved or Do Not Publish, SAP Catalog Authoring Tool excludes those items from the publishing process.



Component	Catalog search engine
Role	Employee
Tasks	Search products and service Compare search results



Search engine

- Is the environment used by employees to search for and find products and services
- Is integrated with the procurement application (SAP SRM and SAP ERP) through the open catalog interface
- Quick search
- List display results
- Context display search results
- Category browsing search
- Search results refinement
- Advanced search (fuzzy and linguistic)

Figure 70: Step 4: Search in Procurement Catalogs

Roles for Catalog Authoring Tool:

- **The Catalog Manager** is responsible for uploading, managing, and classifying product data within SAP Catalog Authoring Tool, and making it available in SAP Catalog Search Engine.
- **The Content Approver** is responsible for approving or rejecting items that have the status To Be Approved.



Hint: If you are using SAP Catalog Content Management with SAP SRM, you must either assign the roles of Catalog Manager and Content Approver directly to users, or include them in composite roles.

Catalog Search Engine

SAP Catalog Search Engine provides two main types of search: standard search and advanced search. In both cases, SAP Catalog Search Engine compares the search term or terms that you enter with the values of all catalog item characteristics for which the Relevant for Text-Based Search indicator is set.

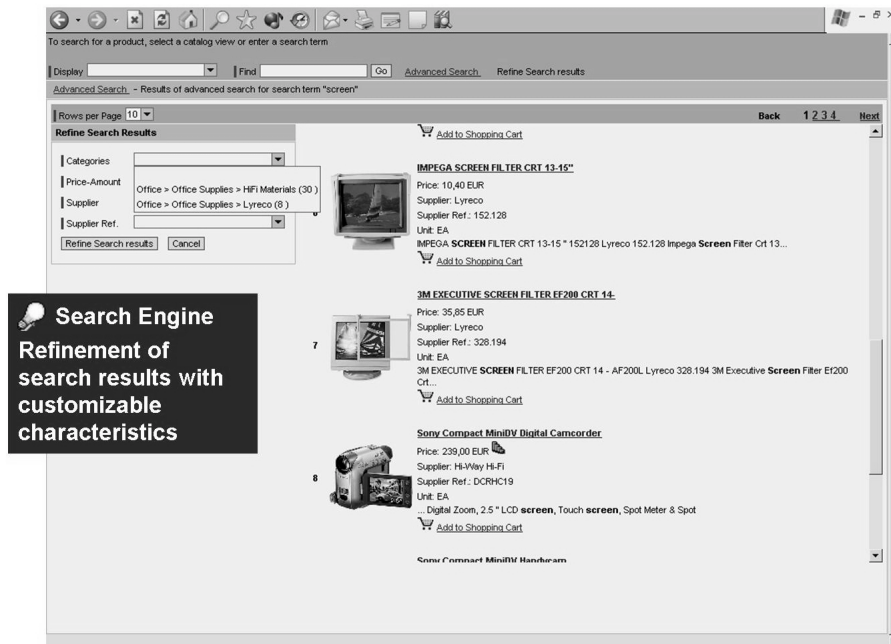


Figure 71: SAP CCM 2.0: Search Engine User Interface

Standard Search: You carry out a standard search by entering one or more search terms in the Find field. If you enter more than one search term, the standard search finds results that contain one or more of the terms you entered. The standard search is an exact search. This means that the search finds an item if the value of at least one of the item's characteristics contains a word that exactly matches the search term (or one of the search terms), and that characteristic is set to Relevant for Text-Based Search

Advanced Search: In the advanced search, you can choose between the following types of search:

- Exact search
- Fuzzy search
- Linguistic search

Roles for the Catalog Search Engine:

- **The Catalog User** is the end user of SAP Catalog Search Engine. The Catalog User uses SAP Catalog Search Engine to search for products in published catalogs.



Hint: The role of Catalog User is relevant only if you are using SAP Catalog Content Management as a standalone solution (without SAP SRM, for example).



Lesson Summary

You should now be able to:

- Explain the process of the SAP Catalog Authoring Tool
- Explain the features of the SAP Catalog Search Engine

Related Information

-

Lesson: Self-Service Procurement: Shopping Carts

Lesson Overview

One of the main goals of an SAP Supplier Relationship Management implementation is to facilitate the process of requesting goods and services for the employee. This is accomplished by providing a user-friendly Web transaction for shopping, in addition to providing catalogs from which the employee may order. This lesson details the process of an employee ordering their own items.



Lesson Objectives

After completing this lesson, you will be able to:

- Describe the different ways to create a shopping cart in SAP Supplier Relationship Management
- Explain the purpose and value proposition for using catalogs in SAP Supplier Relationship Management
- Describe the approval workflows for shopping carts

Business Example

You need to evaluate the methods available in SAP Supplier Relationship Management for employees to request products. You also want to decide which catalog scenarios will best support your company's business requirements.

Shopping Carts



- **Self-service procurement empowers your employees to create and manage their own requisitions**
 - Procurement departments are often burdened by the administrative tasks involved in the procurement of routine maintenance, repair, and overhaul (MRO) items and services, such as office supplies, machine parts, janitorial goods, repairs, and professional services. Centralizing the purchasing process means that the procurement department spends too much time organizing and processing requisitions and answering queries about standard materials. These routine tasks prevent it from focusing on strategic issues.
 - Paper-based processes are slow, bureaucratic, and costly. Transaction costs are often extremely high in comparison with the value of the goods and services purchased. Frequent errors and maverick buying spell inefficiency. Entirely manual procedures also impede transparency, preventing corporate decision makers from understanding the impact of purchasing choices and making it difficult to consolidate purchasing power across the enterprise.
 - Self-service procurement ensures compliance and reduces process costs by decentralizing the purchasing process while maintaining central control with SAP Business Workflow. Costs are cut, cycle-time delays are shortened, and errors that arise from paper-based processes and inefficient communication with suppliers are reduced.

Figure 72: Self-Service Procurement



- **Self-service procurement in SAP SRM provides the following:**
 - A purchasing platform that complements a typical enterprise resource planning (ERP)–based procure-to-pay process and adds integrated, catalog-based requisitioning to the process (also referred to as operational procurement or e-procurement); the software can also help you increase spend control for other categories
 - An easy-to-use procurement environment, empowering every employee in the enterprise to search for and buy items, while ensuring that transactions comply with corporate purchasing policies and internal controls; decentralization of the process enables you to reduce overhead and allows purchasing professionals to focus on managing relationships instead of transactions
 - Role-based tasks and workflows that free purchasing professionals to spend more time on high-value sourcing and procurement tasks
 - Gaining control of access to approved vendors and materials

Figure 73: Self-Service Procurement Positioning



■ End users can create their own requisitions without intervention of the purchasing department

■ Key features

- Wizard approach for occasional users
- Support of direct and indirect business scenarios
- Generation of a requisition, reservation, or purchase order, even on behalf of other users
- Team purchasing concept
- Availability check and assignment of sources of supply
- Specification of a preferred vendor
- Contracts and budget checks
- Procurement cards
- Old shopping carts and public templates
- Attachments and customer fields
- Ship-to address at item level
- Cost assignment to cost center, assets, orders, and projects
- Automatic lead-time adjustment of delivery date
- Distribute account assignment
- Mobile access



Figure 74: Self Service Procurement: Create Shopping Cart

The employee initiates the shopping process by creating a shopping cart. Employees can fill their shopping cart with goods (for example, office supplies) and services (for example, “repair printer” or “consulting services”). To do this, they search for suitable products in catalogs. If they cannot find a suitable product, they can enter a description of the requirement. They can also enter a material number from a product master. Employees can hold their entries or immediately place an order. Self-service procurement empowers employees to create and manage their own requisitions for materials and services, and allows purchasing professionals to focus on managing relationships instead of transactions.



Catalog search across company boundaries

- Internally hosted catalogs: purchasing control over the content that is delivered by the suppliers
- Internal catalogs: publishing of stock material
- External supplier catalogs: accessed over the Internet
- Catalogs hosted by marketplaces or other external brokers: maintained and hosted by an external broker

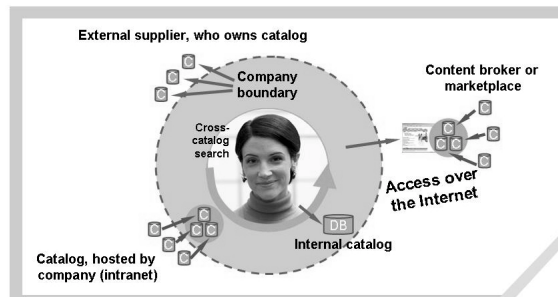


Figure 75: Self-Service Procurement: Search Catalog

Navigation Areas

The shopping cart has three navigational designs to accommodate the needs of the casual user, the frequent user, and the purchaser user. The three new interfaces are called wizard, simplified form, and extended form. These screens are designed to further speed up and simplify the effort to create orders in the Supplier Relationship Management system.



The Shopping Cart Transaction has various designs, to accommodate casual users, frequent users and purchasing users.

Shopping Cart (Wizard)

Helps employees find, select, and add goods or services to their shopping carts quickly and easily.

Shopping Cart (Professional)

Purchaser or Purchasing Assistant can create shopping carts with products quickly and easily.

Shopping on Behalf of Other Users

Purchasing assistants and purchasers can buy products on behalf of other users

Shopping Cart Templates

Process recurring procurement transactions efficiently

Team Purchasing

Allows an employee to take over a team Shopping Cart from another employee.

Service Request and Service Order

Request or order external staff or services using the professional shopping cart.

Figure 76: Shopping Cart Transactions

Wizard

The **wizard** navigational screen is intended for the occasional user who does not spend much time ordering and does not get repetitive practice to become familiar with the screens. It consists of a horizontal navigation guide that leads users through the shopping process in three steps (select goods / service, shopping cart, complete and order). Users can only see one view at a time; therefore they can easily identify what stage of the purchasing process they have reached.

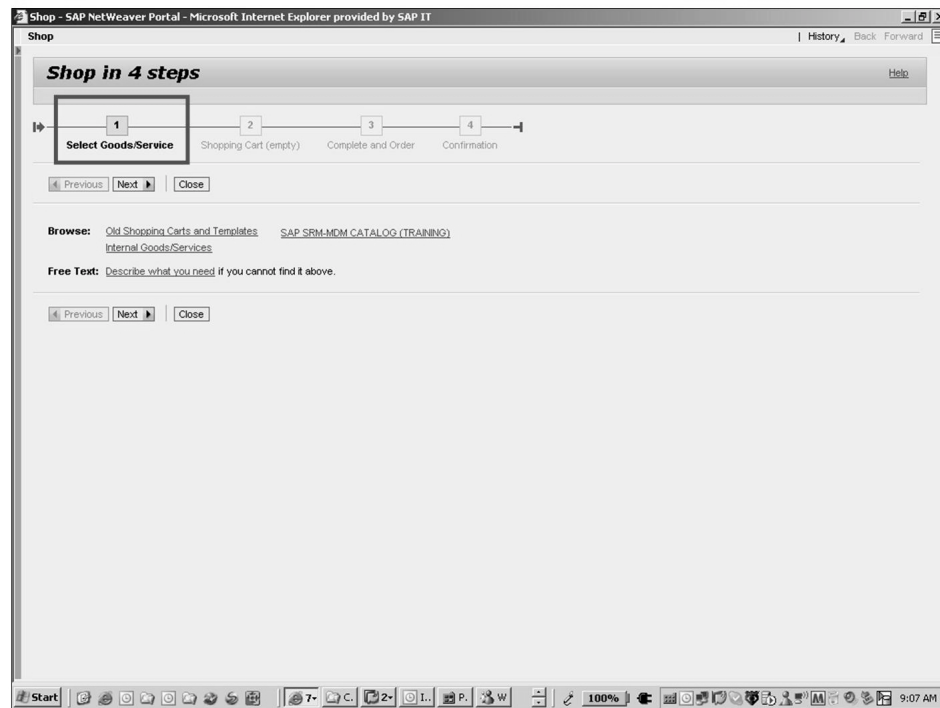


Figure 77: Step 1 of the Wizard Navigational Screen

- **Step 1: Select Goods / Services**

Step 1 allow users to select products through four methods: search catalogs; reference existing templates, shopping carts or purchase orders; directly enter an internal product number; or enter a description of your requirement. It can include a multiple catalog search.



Shop - SAP NetWeaver Portal - Microsoft Internet Explorer provided by SAP IT

History
Back
Forward

Shop

Shopping cart 480 has no errors

1
2
3
4

Select Goods/Service
Shopping Cart (1 Item)
Complete and Order
Confirmation

Previous
Next
Close
Save
Check

Items in Shopping Cart

Details
Add Item
Copy
Paste
Duplicate
Delete

Line Number	Item Type	Product ID	Description	Product Category	Product Category Description	Quantity	Unit	Net Price / Limit	Per	Currency	Delivery Date	Notes	Attachment
• 0001	Material	100-100	Casing	001	Metal processing	1	PC	110,99	1	USD	02.04.2009		

Details for item 1 Casing

Item Data

Account Assignment

Notes and Attachments

Delivery Address/Performance Location

Sources of Supply / Service Agents

Table Extensions

Availability

Identification

Item Type:

Material

Product ID:

100-100

Description:

Casing

Product Category:

001

Metal processing

Order as Direct Material:

☐

Company Code:

3000

IDES US INC

Organization

SAP-CCP-00

Shop-Market

Currency, Values, and Pricing

Order Quantity / Unit:

1

PC

piece(s)

Price / Currency:

110,99

USD

☐

Price Unit

1

Service and Delivery

Delivery Date:

02.04.2009

lt

Location / Plant:

393

☐

Atlanta

Storage Location:

0001

☐

Warehouse 0001

Incoterm Key/Location:

☐

Goods Recipient:

1030

☐

Employee-18

Start

7-

C.

2-

I.

P.

W

100%

9:18 AM

Figure 78: Step 2 of the Wizard Navigational Screen

- **Step 2: Shopping Cart**

Step 2 displays the information on the screen in concise format. The system only displays the information that is actually required for the purchasing process. You can modify this information, delete lines, verify that the information in the shopping cart is correct, refresh the screen, or add more line items to the cart.



Figure 79: Step 3 of the Wizard Navigational Screen

- **Step 3: Complete and Order**

Step 3 gives users the choice to *save* the shopping cart so purchasing documents can be created, or place the shopping cart on *hold* status so the cart can be adjusted at a later time. In addition, users have the option to give a shopping cart a name, to identify the person who is next in line in the approval process, to type a note for the approver, to complete a budget check, and to check the validity of the information.

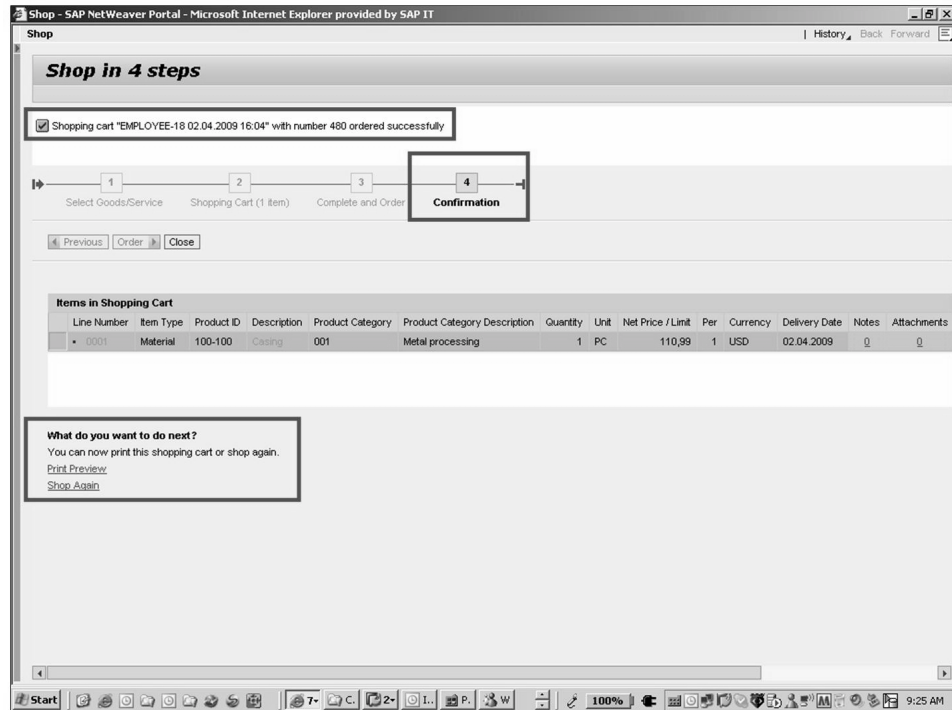


Figure 80: Step 4 of the Wizard Navigational Screen

- **Step 4: Confirmation**

Step 4 displays a success message along with the Shopping Cart Number. It also and gives the users the choice to *print preview* the shopping cart, *shop again* or *Close* the Shopping Cart Transaction.

The **Purchaser** navigational screen is intended for the purchaser user. It consist of a vertical layered, single screen. This screen format allows the user to see all the steps of the shopping cart process and quickly jump between areas. This screen possesses additional functionality that does not exist in the wizard or simplified navigational screens.



Figure 81: The Professional Shopping Cart

Navigation screens are assigned to user roles in the implementation guide (IMG) of the SRM system under *Define Roles*. IMG >

Searching Catalogs for Products

Users can perform searches within each catalog or run a single search that looks at multiple catalogs.

The second search option is called the **cross-catalog search**. Time-consuming searches in individual catalogs are no longer necessary. It is possible to use the cross-catalog search function in all navigation interfaces.

Additional Features

The following functions are available for processing items in a shopping cart:

- **Account assignment** You can display or change your account assignment data. You can assign accounts (also multiple account assignment) to the following objects: cost center, asset, project, order, sales order, and network. There is a selection field where you can choose the cost distribution type as percentage, quantity, or value

- **Tax calculation** The system determines a tax indicator. You can change the default tax indicator. You can display the tax amounts per item and as total amount. You can define whether the tax amount is to be taken into account with approval via workflow.



Hint: Tax calculation can occur in the following systems:

1. SAP R/3 System: Tax calculation occurs in the financial accounting system
 2. External tax system. (Vertex or Taxware)
 3. Customer-specific implementation: Calculation occurs in SAP Supplier Relationship Management.
 4. SAP Transaction Tax Engine (TTE)
- **Vendor text** You can add text to be forwarded to the vendor.
 - **Internal note** You can create internal notes to send the approver or purchaser a message, for example.
 - **Documents and Attachments**
 - Vendor Text:** You can enter a text that is sent to the vendor.
 - Internal Note:** You can create internal notes to provide the approver or purchaser with more information, for example.
 - Attachments:** You can attach documents containing additional information for approvers, for example.
 - **Ship-To Address** The system proposes a delivery address that can be changed at item level (provided that one exists in the master data of the responsible organizational unit). SAP Supplier Relationship Management transfers it to the backend system (from Release 4.0B) for the purchase order or purchase requisition. Implementation of the SAP Note 358741 is a prerequisite.
 - **Availability** This function is only available for products that are kept in stock in the backend system. The availability check is executed for all plants defined in the users attributes.
 - **Sources of Supply** The system displays the possible sources of supply (existing either in the backend system or locally) for the product or user-defined text items. If, when adding an item to the shopping cart, the system finds a unique source of supply, this is assigned. If you do not want to use the source assigned, you can replace it with a preferred vendor. If no preferred vendor or source of supply is assigned, the system creates an incomplete purchase order or requirement (locally) or a purchase requisition (in the backend).

- **Procurement Cards** You can order with a procurement card provided the shopping cart item will result in a local purchase order in the Standalone scenario and the user has a valid procurement card master record. This function is not available for local purchase orders created in the Extended Classic scenario.
- **Approval Preview** Before you order the shopping cart, you can check whether the shopping cart needs approval and, if so, by whom.
- **Budget Display** SAP Supplier Relationship Management checks in the backend system whether the shopping cart item exceeds the budget available. If this is the case, an error message is displayed (as long an error message action is set for WBS elements, CO internal orders or Funds Management objects): The employee can modify the purchase order (for example, by decreasing the number to be ordered) and this way remove the error. Once an error has been corrected, the next available error appears and is corrected by the employee.



Hint: If you use the SAP Funds Management component, you can also perform an availability check for the objects in the component taken for account assignment.

Shopping Cart Status and Processing

Employees can check the status of individual items in their shopping carts. They can display detail data for each item, including its account assignment, internal notes, purchase order texts, attachments, information on the approval status, and follow-on documents. Goods receipt, invoice receipt, and printing of shopping cart can be completed from this screen. If delivery information exists, you can switch to the carrier's Web application and track the status of the delivery.



Shopping Cart Number	Shopping Cart Name	Item Number	Item Name	Status	Created On	Quantity	Unit
446	Standard Supplies18a	1	8.5 paper	Public Template	03/31/2009 15:21:31	1	BO
446	Standard Supplies18a	2	Array Fine Paper, Parchment, 24#, 100 pa	Public Template	03/31/2009 15:30:16	1	EA

Figure 82: Search for Shopping Cart

The following statuses exist:

Status	Item
Saved	Is held and incomplete
Awaiting Approval	Is subject to an approval procedure
In Your Inbox	View items
Rejected	Was not approved by the manager and has therefore not been converted into a purchase requisition, purchase order, or reservation
Contains Error	Could not be converted into a purchase requisition, purchase order, or reservation
My Personal Template	Belongs to a template
Public Template (created centrally)	Belongs to a public template

My Favorites (single item)	Belongs to your favorites
Open for Confirmation	Will automatically create a receipt in the background as a full receipt
Open for Invoice	Will automatically create an invoice in the background as a full invoice

For items with status Approved, the employee can see which follow-on documents were created. These could be:

- Purchase requisition
- Purchase order
- Reservation
- Goods receipts or service entry sheets
- Invoices

Changes and Deleting

Changes

Employees can change requests under the following conditions:

- The backend system has not yet created any documents (purchase requisition, purchase order, or reservation), or the Supplier Relationship Management system has not yet created a purchase order.
- The requirement coverage request is held.
- The requirement coverage request is awaiting approval.
- The requirement coverage request has not been accepted.

Deleting

Employees can delete requests if the employee no longer needs items that have already been requested. However, you cannot delete items that have already been approved and for which follow-on documents already exist in the backend system, if:

- A purchase requisition was created and the completed indicator is set for it, or the quantity received for the purchase order is equal to or greater than the quantity requested.
- A reservation was created and the final issue indicator is set for the reservation, or the quantity withdrawn is equal to or greater than the quantity requested.
- A purchase order was created and the delivery completed indicator is set for the purchase order, or a goods receipt has already been entered.

Catalog Scenarios

One of the main benefits of an e-procurement solution is the value added by directing users to strategic suppliers via the use of catalogs. Catalogs provide a product listing along with extended product information, including links to manufacturer and supplier data. Any catalog should provide an environment that allows employees to easily find the products that they require. Catalogs should provide flexible search methods to include searches based on description, manufacturer, and product attributes. Depending on the catalog, various search engines are available, facilitating an employee's search for an appropriate product. In addition, catalogs can have the ability to pull pricing and availability from a supplier catalog.

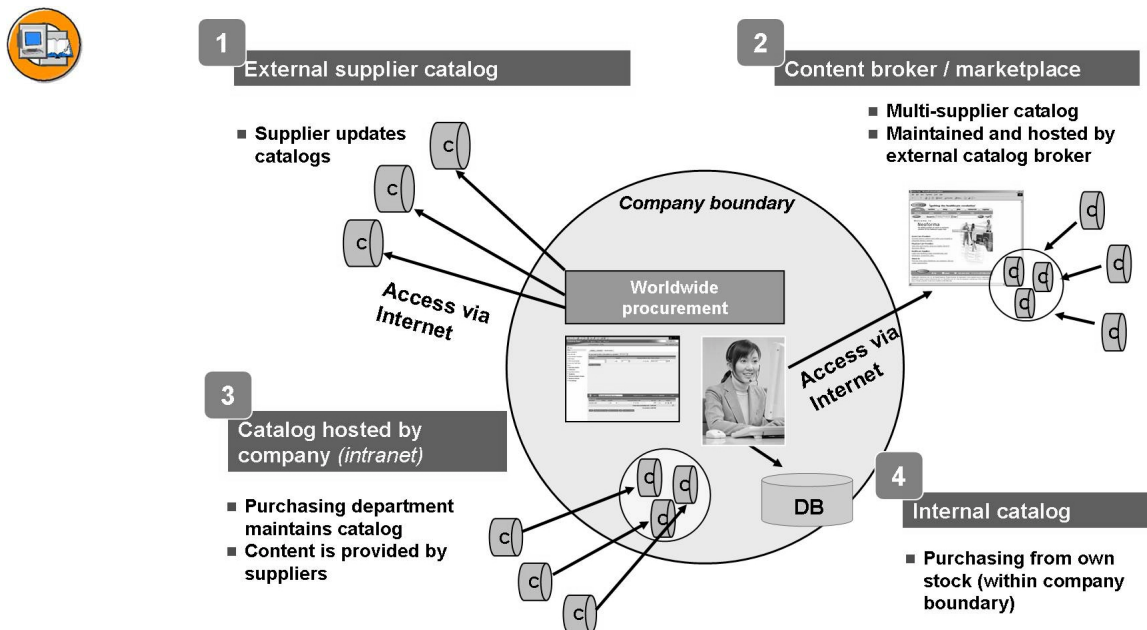


Figure 83: Catalog Scenarios

Multiple Catalogs

Multiple catalog scenarios can be supported in parallel, allowing scalability and flexibility during an implementation. The catalog scenarios supported by SAP Supplier Relationship Management are described in the above graphic.

The following scenarios are supported:

- External catalogs managed by the vendor and hosted at the vendor site

In this scenario, the vendor's responsibility is to manage the catalog. If the vendor is experienced in managing Internet catalogs, this scenario can provide rapid catalog implementation. However, each vendor's Web site can look and feel different, sometimes causing a problem for employees.

- Multi-supplier catalogs managed by a third-party content aggregator or a marketplace

This scenario introduces a third party who manages the catalog content on your behalf. This allows for products from multiple vendors to be aggregated into a single catalog and enables a consistent look and feel for the catalogs that are managed.

- Internal catalogs managed by the Supplier Relationship Management customer

These catalogs can consist of Supplier Relationship Management product masters or vendor products. This allows you to control the look and feel of the catalog, and also allows you to build a multi-supplier catalog. In order to manage a catalog, you need to consider a catalog management tool. The SRM-MDM Catalog is used for this purpose.

- Internal catalogs, allowing employees to request items from their own stock

This provides a catalog environment for employees to order expendable stock supplies, such as shop gloves, expendable tooling, or cleaning materials.

When ordering from this type of catalog, the requirement normally creates a reservation, which will then be used to control the goods movement. In this situation, Material Requirements Planning in SAP R/3 would be responsible for creating the requisitions for replenishing the stock.

Customers can choose to use one or all of these scenarios to manage their catalog content. In addition, customers can begin with one strategy, such as supplier-managed catalogs, and migrate to internally hosted catalogs.

Any catalog can be utilized with SAP Supplier Relationship Management, provided that it can comply with the Open Catalog Interface (OCI). This interface describes the exchange of data between SRM and catalog applications, and enables the transmission of products from an external catalog to Supplier Relationship Management. Any catalog used must conform with the OCI specification. The effect of this interface is that instead of goods being ordered directly from the catalog, a button is added to the catalog to send the selected items back to Supplier Relationship Management, where they are then added to the shopping cart. The format for this request is specified in the Open Catalog Interface.

The SRM-MDM Catalog is the standard delivered catalog system with SRM. With SRM-MDM you can create and manage a unified e-commerce catalog, using tools that import data from external sources, maintain consistent schemes, and index items for faster search capabilities. Your purchasing department is responsible for maintaining the content in SRM-MDM.



Note: SRM-MDM is the standard catalog delivered with SRM 5.0. Previously SAP delivered SAP Catalog Content Management (CCM) as the catalog with SRM. New SRM 5.0 customers will use SRM-MDM. Only existing customer who have upgraded to SRM 5.0 may still be using CCM. All customers wishing to upgrade to SRM 7.0 must be using the SRM-MDM catalog.

Process-Controlled Workflow



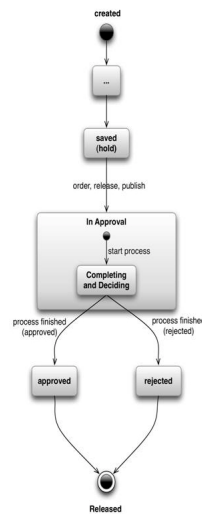
A flexible approval workflow enables organizations to manage the requisitioning of goods and services in full compliance with purchasing policies

- Purchaser and specialist approval to complete shopping cart before manager approval
- Line-item manager approval
- Spending limit and approval limits
- Budget-dependent approval
- Change in shopping cart during approval
- Mobile access and shortcut approval
- Ad hoc approvals
- Notifications and alerts
- On-the-fly delegation and substitutes
- Rule-based definition of approval steps

Approval Step	Status	Start Date	End Date	User
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...
Approve Shopping Cart	Approved	2007-10-26	2007-10-26	...

Figure 84: Self-Service Procurement: Approvals

SAP Supplier Relationship Management provides two frameworks for approval workflows, **Application-controlled** and **Process-controlled**. The Application-controlled workflow framework was used in SAP SRM 5.0 and earlier. The Process-controlled workflow framework was introduced in SAP SRM 2007 (SAP SRM 6.0).



Supports N step Decisions

- In SRM documents can pass through a series of decisions. The number of steps can vary from 0...N.

Supports different Process steps

- Different Process steps like Approval, Completion and Review are supported

Supports different decision levels

- Different decision levels like Header level, Item level and partial document level are supported

Supports different roles

- Different roles like Manager, Specialist, Reviewer, Requestor etc are supported

Figure 85: Key Features of Process-Controlled Workflow



Note: The Application-controlled workflow framework is supported for customers of SAP SRM 5.0 or earlier to maintain their older workflows. New SAP SRM customers must use the Process-controlled workflow framework. It is not supported that new customers use application-controlled workflows.

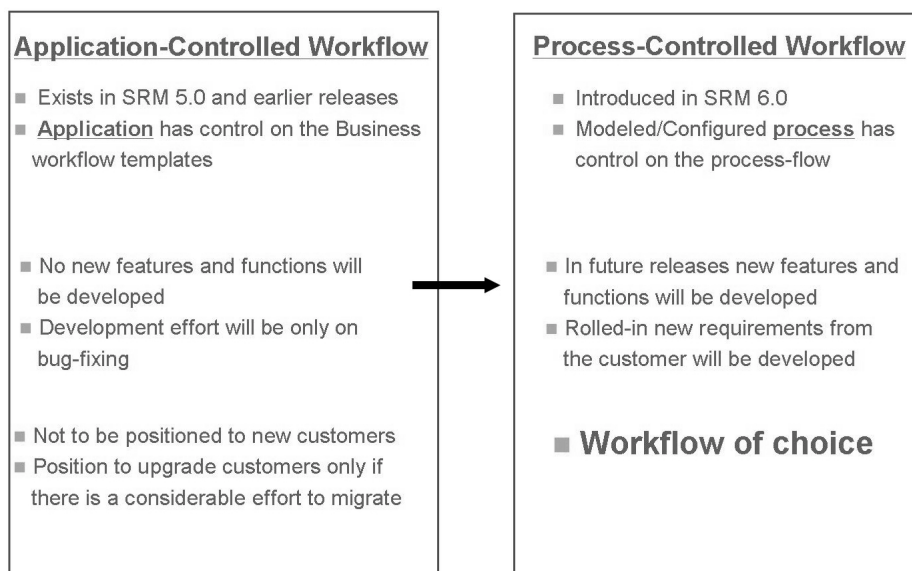


Figure 86: SRM 7.0 Approval Framework Workflow

Process-Controlled Workflows are approval workflows based on SAP Business Workflow, in which the modeled or configured process, and not the application itself, controls the process flow. A unified workflow template is used, and a

process is evaluated by way of a process schema containing a set of distinct process levels. The Business Rule Framework can be applied to control further the process flow.

The Business Rule Framework (BRF) is provided by SAP NetWeaver. It is a tool which is capable of evaluating business rules. Like the SAP Business Workflow, BRF is a generic framework which does not provide any business logic on its own. Instead, it evaluates complex logical expressions (rules) to a single value. This can be either a Boolean result (true or false) or any other non-multi-value, e.g. a string.

Process-controlled workflows model and carry out approval processes for purchasing documents, such as shopping carts. Workflows provide easy and flexible implementation of approval processes. Approval processes typically run on several process levels. Throughout these process levels, a document can require different kinds of checks and can involve agents with different roles, for example:

- A purchaser must complete a document lacking important information.
- A specialist must check and approve technical or other product-related information in the document.
- A manager must give financial approval, for example, if a shopping cart exceeds an employee's individual spending limit.

Responsibility for approving the items of a document can be distributed among several agents. However, at each process level, all items of the document must be decided upon. Therefore, the next process level cannot start until all agents have processed their respective items.



Level	Process (type)	Description	Business Rule	Approval decision type	Responsible agents
10	Completion	Purchaser completion (of free text requirements)	Free text item exists	Item-Based Decisions for Entire Document	Purchasers of purchasing group 500000002
20	Completion	IT Department completion (of IT equipment)	Product category "012" exists (IT Equipment)	Item-Based Decisions for Entire Document	Users with role "BBP_STAL...IT_DEPARTM ENT"
30	Approval	Line manager approval	Total Value exceeds Euro 400,-	Item-Based Decision for Partial Document	Next line manager in PD-Org
40	Approval	Director approval	Total Value exceeds Euro 2000,-	Item-Based Decision for Partial Document	Next director in PD-Org
90	Automatic	Automatic Approval	None of the previous levels valid	Entire Document	System

Figure 87: Process-Controlled Workflow Example

The work items from SAP Business Workflow are delivered to the SAP Business Workplace Inbox. This is also the case in the SRM context. In previous releases, SRM was strongly related to the SAP Business Workplace Inbox, although it provided a modified version with own UI and feature set.

With SAP SRM 7.0, the application has completely moved into the SAP NetWeaver Portal. With this shift, the SRM-specific inbox has been abandoned and the functionality is now provided by the Universal Worklist (UWL). This is the standard means of the SAP NetWeaver Portal. The provided Business Packages include a special configuration for the UWL which allows SRM to provide specifically tailored functionality. For example, using the short cut decision feature, approvers can decide on the entire document without viewing the details screens of a document.

Out of the box the UWL supports work items created by SAP Business Workflow, alerts (and a special type of notifications created by Knowledge Management system). In addition to work items and alerts, SAP SRM also creates standard notifications (for example, notifications resulting from deadline monitoring of a work item). To be able to access these in the UWL see SAP Note 1051787.

Users can only make decisions in an approval process if they have received a workflow work item in their Universal Worklist (UWL). If there is more than one responsible agent for the items of a document on one process level, each agent receives a workflow work item. As soon as one of them accesses his or her work item, the document is locked for other users.

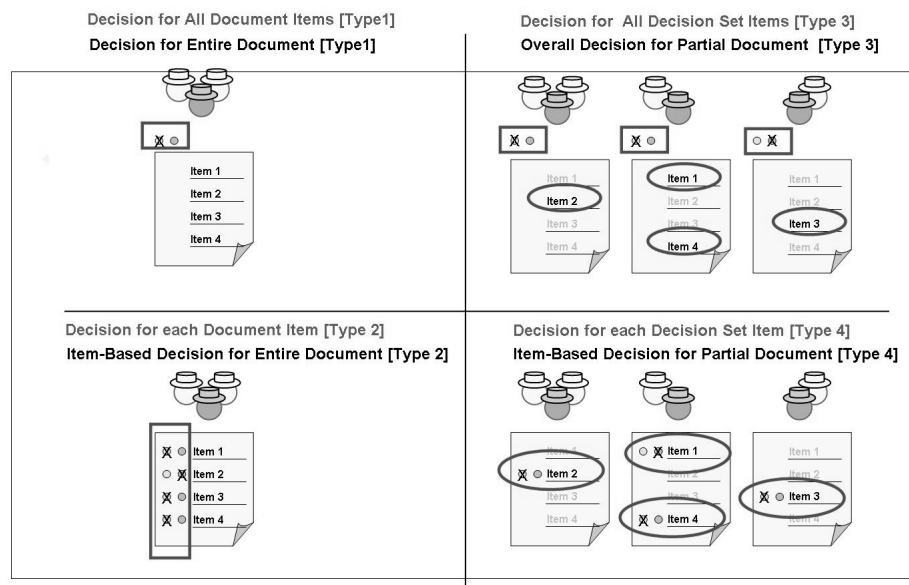


Figure 88: Decision Types for Process-Controlled Workflow



- This approver is not responsible for item 4, classic category

Approve Shopping Cart: 10045871

Number: 10045871 Document Name: Workflow Decision Type 4 Status: Awaiting Approval Created On: 22.10.2008 06:21:41

Submit Close Save Check System Info Create Memory Snapshot

General Data

Buy on Behalf Of: Sylvie Employee1 Approval Note:

Name of Shopping Cart: Workflow Decision Type 4

Default Settings: Set Values

Team Shopping Cart: ☒ Make accessible to my Purchasing Substitutes Note to Supplier:

Approval Process: [Display / Edit Agents](#)

Document Changes: [Display](#)

Item Overview

Details Add Item Copy Paste Duplicate Delete Process All Items

Line Number	Reject	Approve	Item Type	Product ID	Description	Product Category	Product Category Description	Quantity	Unit
1	<input type="radio"/>	<input checked="" type="radio"/>	Material	item1		WF011	Completion & Approval (P-Group Local 1)	1	EA
2	<input type="radio"/>	<input checked="" type="radio"/>	Material	item2		WF012	Completion & Approval (P-Group Local 2)	1	EA
3	<input type="radio"/>	<input checked="" type="radio"/>	Material	item3		WF013	Completion & Approval (P-Group Local 3)	1	EA
4	<input type="radio"/>	<input type="radio"/>	Material	item4		QZ402	classic	1	EA

Figure 89: Decision Type Example: Item Based Decision for Partial Document

Process-controlled workflows are available for the following business objects:

- Shopping cart
- Purchase order
- Purchase order response
- Contract
- RFx
- Quote
- Invoice
- Confirmation

The following comparison matrix is intended to help analyzing customer regarding upgrade strategy:

Scenario	Process -Controlled Workflow	Application-Controlled Workflow
Team purchasing should be possible	Supported	Not supported
n-step approval should be possible by configuration (without Badi implementation effort on customer side)	Supported	Implementation of Badi BBP_WFL_AP-PROV_BADI required, possible for PO, SC, RFx Response, RFx, Contract

Approval per item	Available by configuration for SC, PO, Contract	Available for SC
Approval with distributed responsibility (approver has to approve/reject only those items he or she is responsible for)	Available by configuration for Shopping Cart	Implementation of BAdI BBP_WFL_AP-PROV_BADI required and only possible for SC
Changing document by approver during approval anytime	Only possible during approval levels with completion	Supported (depending on security level)
Rule-based reviewer	Supported	Reviewers must be added manually
Add ad hoc approver	Supported	Supported
Delete ad hoc approver	Possible as long as work item is in process	Not possible
Replace ad hoc approver	Ad hoc approver must be deleted; a new one can be inserted	Supported
Forwarding work items	Supported	Supported
Creation of substitution rules	Supported	Supported
Add reviewer manually	Supported	Supported
Delete reviewer	Possible as long as work item is in process	Supported
Replace reviewer	Reviewer must be deleted; a new one can be inserted	Supported
Archiving	Workflow data will be archived when archiving documents	Workflow data must be archived separately
Flexible agent determination	Default BAdI implementations available; creation of implementations for BAdI definition /SAP-SRM/BD_WF_RESP_RE-SOLVER	Implementation of BAdI BBP_WFL_AP-PROV_BADI required, or modification of SAP coding

Workflow process restart in case of document change	Default behavior can be changed by implementing BAdI interface /SAP-SRM/IF_EX_WF_PROC-RT	Depends on security level of user who changed the document (personalization object BBP_WFL_SECURITY) or on implemented BAdI BBP_WFL_APPROV_BADI
Back & Forth feature	Available during completion levels for all documents and in case of partial rejection	Available for PO, SC, RFx in case of n-step approval (implementation of BAdI BBP_WFL_APPROV_BADI required)
Save document during approval (without work item execution))	Supported	Available for PO, SC, RFx in case of n-step approval (implementation of BAdI BBP_WFL_APPROV_BADI required)
Complete approval history available in Approval Process Overview despite workflow process restart	Supported	Customer-specific BAdI implementation required BBP_WFL_APPROV_BADI (not supported for template-based workflow)
Reviewer actions available in Approval Process Overview	Supported	Not supported
Work item marked in UWL if configured deadline exceeded	Supported	Not supported
Offline approval for forwarded work items	Supported	Not supported
Display of cost center splitting of Shopping Cart items in offline approval	Supported	Not supported

Approval Workflow Features

- In a process level of the type approval with completion, this property enables the creator of a purchasing document and the currently responsible agent to communicate with each other, for example, in the case of open questions or

changes to the document. By using the pushbutton Inquire provided by the Universal Worklist (UWL), the approver can send the work item back to the creator including, if necessary, a comment or question. The creator can then change the document and send it again.

- In a process level of the type approval, back-and-forth processing is possible in the case of rejected items. The requester receives a work item informing him or her about the rejection. The requester can then change the document, even if all items have been rejected.
- Any person participating in a workflow process can insert ad hoc agents in addition to the responsible agents that the system determines based on the process schema. The system creates a work item for the ad hoc agent on any process level after the current one. The decision set and the decision type for the ad hoc agent are identical to the ones in the current process level.
- You can add reviewers to the approval process. Reviewers can follow the entire approval process for a procurement document, independent of which decision type applies. In particular, they can do the following:
 - Display the document
 - Display existing attachments or create new ones
 - Add notes
 - Insert further reviewers
- Reviewers cannot approve or reject the document and they cannot add further approvers. The system records whether the reviewer has accessed the work item or taken any action. The following options are provided to add reviewers
 - User adds ad hoc reviewer: Document creators and approvers who are assigned a work item can add ad hoc reviewers to the approval process.
 - System adds reviewers based on rules: Apart from adding ad hoc reviewers, it is also possible to configure the system such that reviewers are inserted automatically into the approval process, according to rules. The system determines reviewers in the same way that it determines

approvers, for instance, by specific document fields, such as product category or accounting type, by business object attributes, or by specific roles or users.

- Forwarding work items is a feature provided by the UWL. Any recipient of a work item can use the Forward pushbutton in the UWL to forward the work item to another user. You can search for a certain user in a list and forward the work item to this user. The selected user can then process the work item.
- Administrators may want to forward work items that they have not received themselves in their UWL. For instance, forwarding work items might be necessary if the responsible agent assigned to the work item is not available.
- Assigning substitutes, for example, for periods of absence, is a feature provided by the UWL. Depending on the substitution rules you set, substitutes can receive your work items directly in their UWL, or they can actively take over your work items.
- Restarting an approval process is necessary if the requester or the responsible agent changes the document.

Application-Controlled Workflow (Optional)

Application-Controlled Workflows are approval workflows based on SAP Business Workflow, in which the application is in control over the SAP Business Workflow templates. Multiple workflow templates can be used, using defined start conditions. Standard Application-Controlled Workflows in Supplier Relationship Management include either two levels of approval, one level of approval, or no approval, based on the value of the shopping cart.

- **Without Approval :** You can use workflow to immediately assign the status Approved to shopping carts that contain, for example, low-value purchases that you want to pass through the SRM system without going through an approval procedure, or shopping carts that were created by managers.
- **One-Step Approval :** You can specify a single-level approval procedure for shopping carts with a low procurement values. The approver for this workflow is the manager of the requestors organization unit.
- **Two-Step Approval :** You can specify a two-step approval procedure for shopping carts with higher procurement values. The first approver for this workflow is the manager of the requestors organization unit. The second approver is the manager at the next level of the organization plan. This is a sequential workflow.

- **Value Limit Workflow :** This workflow provides flexibility in that you can define different spending limits for shoppers and approval limits for managers. The approver is determined on the basis of the **Spending Limit Approver** attribute of the shopper and not the manager of the organization unit. This is a one-step approval workflow.



Hint: The spending limits and approval limits for this workflow can be defined on the user, role or organization unit.

- **Value Limit n-steps Workflow :** This is the same as the Value Limit Workflow except there are multiple approvals.
- **Multi-Step Approval Workflow :** This workflow allows you to have any number of approvals and amounts.
- **Shopping Cart Completion Workflow :** The completion workflow for shopping card allows a check of the shopping cart by the purchaser in advance of a potential approval. For example, if an employee creates a free text item without a price or vendor, the completion workflow would be triggered. The shopping cart would be routed to a purchaser so that an appropriate price and vendor can be assigned. After completion by the purchaser the cart is sent back to the employee and then the system checks to see if it requires approval by a manager.
- **User Budget Workflow** With this workflow the approval of the shopping cart is not dependent on its value, but rather on the employee's purchasing budget. This budget can be maintained on the user, role or organization unit. For example, users with the EMPLOYEE role have a purchasing budget of \$5000 USD on a monthly basis. Once the cumulative value of all shopping carts ordered in a given month exceeds \$5000 USD the approval workflow is triggered. The employee will receive a message that their purchasing budget will be exceeded if they continue. If they continue their shopping cart is routed for approval using the activated workflows, for example the one-step approval and two-step-approval workflows. To include the budget in the process, you must include the budget workflow in the start conditions and define the budgets.

Approvers can change, approve, or reject those line items that they are responsible. Using a BADI you define criteria that routes the shopping cart items to the appropriate approver. For example the approvers can be determined based on cost centers, product categories or company code. An approver will receive a work item showing all of the items in the shopping cart, but they will only be able to approve or reject the items they have responsibility for. The next level of approval does not start until all items have been approved at the first level.

A status of awaiting approval, approved, contains errors, or rejected appears in *Check Status*, *Inbox work items*, and *Reviewer* displays. The details, including the names of the approvers and reviewers, display on the *Approval* tab.

If the cart needs approval, the approvers are informed using workflow. If not, the follow-on documents are created.

If the shopping cart is approved, the system creates the purchase order, requisition, or reservation documents, or passes this document to the purchaser for completion.

If the cart is rejected, the employee receives a work item in their inbox. The employee can change the shopping cart directly from the work item and resubmit it.

If a deletion is made, an e-mail is sent to all previous approvers.

If a change made, an e-mail is sent to all previous approvers and a new workflow is started.

Role of Approver

Managers are responsible for approving shopping carts from their employees. Managers have responsibilities in other processes as well, such as approving new users, invoices, and procurement card expenses:

- Approve shopping carts based on criteria in Customizing and the organizational plan
- Reject line items or the entire shopping cart
- Approve new user master records

Shopping cart approvers can be changed while the shopping cart is being created, on hold, or awaiting approval. This is helpful if the manager is on vacation or unavailable. Employees or managers can add additional approvers to those proposed by the system.

Role of Reviewer

During the approval process, someone may need to review technical specifications, add terms and conditions, or expedite processing. A reviewer can be included on the shopping cart. Reviewers:



- Observe the approval status
- Add or display attachments
- Change or add other reviewers



Note: Reviewers cannot approve or reject shopping carts.



The check-status functionalities of SAP SRM allow monitoring the status and workflow of requisitions, follow-on documents, and actionable tasks

Key features

- Checking the approval status
- Changing and editing shopping carts
- Tracking purchase order confirmations
- Tracking shipping notifications
- Extensive search and sort
- Link to follow-on documents
- Express confirmation and invoice

Check Status

Active Requisition: [View](#) [Cancel](#) [Create](#) [Edit](#) [Delete](#) [Print](#) [Export](#) [Import](#) [Refresh](#) [Help](#)

Shopping Cart

Item	Material	Description	Quantity	Unit	Price	Status	Action
1	10000000	10000000	10000000	10000000	10000000	Approved	
2	10000000	10000000	10000000	10000000	10000000	Approved	
3	10000000	10000000	10000000	10000000	10000000	Approved	
4	10000000	10000000	10000000	10000000	10000000	Approved	
5	10000000	10000000	10000000	10000000	10000000	Approved	
6	10000000	10000000	10000000	10000000	10000000	Approved	
7	10000000	10000000	10000000	10000000	10000000	Approved	
8	10000000	10000000	10000000	10000000	10000000	Approved	
9	10000000	10000000	10000000	10000000	10000000	Approved	
10	10000000	10000000	10000000	10000000	10000000	Approved	

Check Status

Active Requisition: [View](#) [Cancel](#) [Create](#) [Edit](#) [Delete](#) [Print](#) [Export](#) [Import](#) [Refresh](#) [Help](#)

Shopping Cart

Item	Material	Description	Quantity	Unit	Price	Status	Action
1	10000000	10000000	10000000	10000000	10000000	Approved	
2	10000000	10000000	10000000	10000000	10000000	Approved	
3	10000000	10000000	10000000	10000000	10000000	Approved	
4	10000000	10000000	10000000	10000000	10000000	Approved	
5	10000000	10000000	10000000	10000000	10000000	Approved	
6	10000000	10000000	10000000	10000000	10000000	Approved	
7	10000000	10000000	10000000	10000000	10000000	Approved	
8	10000000	10000000	10000000	10000000	10000000	Approved	
9	10000000	10000000	10000000	10000000	10000000	Approved	
10	10000000	10000000	10000000	10000000	10000000	Approved	

Figure 90: Self-Service Procurement: Check Status

Exercise 5: Create a Shopping Cart that follows the Standalone Scenario

Exercise Objectives

After completing this exercise, you will be able to:

- Create a shopping cart
- Order items that will result in follow-on documents in the SRM system.
- Display and change the resulting documents in the SRM system.

Business Example

Certain items ordered in SRM, based on their product category, will result in follow-on documents in the SRM system (Standalone Scenario). In some cases, changes may need to be made to these documents. It is important that changes made to these documents will be reflected in the shopping cart.

Task 1: Create a Shopping Cart

Create a shopping cart named **Standalone##** with the following items:

Launch SAP SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Item 1: SRM-MDM Catalog

<i>Description</i>	Classic Stic Pen, Medium Point, Blue
<i>Quantity</i>	48
<i>Unit of Measure</i>	Each
<i>Price</i>	0.50 (You do not need to select the currency. The default currency USD will automatically be used.)
<i>Category</i>	Office Material(L) (The category ID is LOCAL1.)
<i>Supplier</i>	Aramingo## Inc.
<i>Required on</i>	One week from today

Continued on next page

Item 2: Describe Requirement

<i>Description</i>	Carbonated Energy Drink
<i>Quantity</i>	72
<i>Unit of Measure</i>	Bottles
<i>Price</i>	2.00 (You do not need to select the currency. The default currency American Dollar will automatically be used.)
<i>Category</i>	Food & Beverage (L) (The category ID is LOCAL2.)
<i>Required on</i>	One week from today

Item 3: Internal Goods/Services

<i>Product ID</i>	Cellphone
<i>Quantity</i>	1
<i>Category</i>	Local Electronics (L) (The category ID is LOCAL3.)
<i>Required on</i>	One week from today

1. Log on as SRMUSER-##.
2. Begin the process to create a shopping cart by adding 48 *Classic Stic Pens, Medium Point, Blue* from the SRM-MDM Catalog as the first item in the shopping cart.
3. Add **72 Bottles of Carbonated Energy Drink** . Assign the product category **Food & Beverages (L)**.
4. Add the product **Cellphone** as the third item in the shopping cart.
5. Order the shopping cart with the name **Standalone##** .

Task 2: Identify Documents

Identify what follow-on documents were created for your shopping cart items .

1. Check the status of your shopping cart **Standalone##** to determine what follow-on documents were created. Also determine in which system these documents were created.

Solution 5: Create a Shopping Cart that follows the Standalone Scenario

Task 1: Create a Shopping Cart

Create a shopping cart named **Standalone##** with the following items:

Launch SAP SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Item 1: SRM-MDM Catalog

<i>Description</i>	Classic Stic Pen, Medium Point, Blue
<i>Quantity</i>	48
<i>Unit of Measure</i>	Each
<i>Price</i>	0.50 (You do not need to select the currency. The default currency USD will automatically be used.)
<i>Category</i>	Office Material (L) (The category ID is LOCAL1.)
<i>Supplier</i>	Aramingo## Inc.
<i>Required on</i>	One week from today

Item 2: Describe Requirement

<i>Description</i>	Carbonated Energy Drink
<i>Quantity</i>	72
<i>Unit of Measure</i>	Bottles
<i>Price</i>	2.00 (You do not need to select the currency. The default currency American Dollar will automatically be used.)
<i>Category</i>	Food & Beverage (L) (The category ID is LOCAL2.)
<i>Required on</i>	One week from today

Continued on next page

Item 3: Internal Goods/Services

<i>Product ID</i>	Cellphone
<i>Quantity</i>	1
<i>Category</i>	Local Electronics (L) (The category ID is LOCAL3.)
<i>Required on</i>	One week from today

1. Log on as SRMUSER-##.
 - a) Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

2. Begin the process to create a shopping cart by adding 48 *Classic Stic Pens, Medium Point, Blue* from the SRM-MDM Catalog as the first item in the shopping cart.
 - a) Choose *Employee Self-Service* → *Shop* from the menu options.
 - b) Choose *SAP SRM-MDM Catalog*.
 - c) Enter **Pen** in the *Keyword* field and select *Search*.
 - d) Select **Aramingo00 Inc.** from the list of suppliers
 - e) Select the *Select Box* in the Select Column.
 - f) Change the *Quantity* to **48**
 - g) Choose *Add to Cart* button.
 - h) Choose **Check Out** in the top left of the window.

This will take you back to the shopping cart, for further processing

Continued on next page

3. Add **72 Bottles of Carbonated Energy Drink** . Assign the product category **Food & Beverages (L)**.
 - a) Choose *Add Item* button, so you can add another item.
 - b) Choose *Describe what you need* so you can order a “free text” good.
 - c) Enter **Carbonated Energy Drink** in the *Description* field.
 - d) Select **Food & Beverages (L)** in the *Category* field.



Hint: The category ID is LOCAL2,

- e) Enter **72** in the *Quantity* field.
- f) Select the unit of measure **Bottle** in the field to right of the *Quantity* field.



Note: Search for this unit of measure by selecting the *Search Icon*. **Bottle** has an ID of **BT**

- g) Enter **2** in the *Price* field.



Hint: You do not need to choose the currency. The default currency American Dollar will automatically be assigned.

- h) Select **one week from today** as the *Delivery Date*
 - i) Select *OK*.
4. Add the product **Cellphone** as the third item in the shopping cart.
 - a) Choose *Add Item* button, so you can add another item.
 - b) Choose *Internal Goods/Services*.
 - c) Enter **Cellphone** in the *Product ID* field.
 - d) Enter **1** in the *Quantity* field.
 - e) Select **one week from today** as the *Required on* date.
 - f) Choose *OK*.
 5. Order the shopping cart with the name **Standalone##** .
 - a) Choose *Next*.
 - b) Enter **Standalone##** as the *Name of the Shopping Cart*.
 - c) Choose *Order*.
 - d) Choose *Close* to leave shopping cart.

Continued on next page

Task 2: Identify Documents

Identify what follow-on documents were created for your shopping cart items .

1. Check the status of your shopping cart **Standalone##** to determine what follow-on documents were created. Also determine in which system these documents were created.
 - a) Choose *Refresh* to update the Shopping Carts Query
 - b) Select the first items of the shopping cart named **Standalone##**.
 - c) Select the *Related Documents* tab.
 - d) Write down the type of document and status for each item in the shopping cart. You will need these in later tasks.



Hint: Use the *Next Item* icon to toggle between the items.

- e) Choose *Close*

Exercise 6: Team Purchasing

Exercise Objectives

After completing this exercise, you will be able to:

- Perform Team Purchasing

Business Example

Some departments of your company are working in shifts. The colleagues need to know if the other workers from the preceding shift already ordered the materials for the repair

Task 1:

You will maintain a substitute for Team Purchasing activities and then create a shopping cart that will be taken over by your substitute.

1. Maintain the user **STBUYER##** as a substitute for Team Purchasing activities.

Launch SRM and enter the following information

User ID	SRMUSER-##
Password	Provided by instructor

Data for Shopping Cart

<i>Description</i>	Cleaning Agent
<i>Product Category</i>	011
<i>Quantity</i>	2
<i>Unit</i>	L
<i>Net Price</i>	20
<i>Delivery Date</i>	One week from today
<i>Name of Shopping Cart</i>	Team Cart##
<i>Team Shopping Cart</i>	X

2. Create a Shopping Cart with a Free text item that is available to your Procurement Substitute.

Continued on next page

Task 2:

Log on as the Procurement Substitute and complete the Shopping Cart

1. Take over and complete the shopping cart your colleague created earlier. You may add additional items, or change the existing item.

Launch SRM and enter the following information

User ID	STBUYER##
Password	Provided by instructor

Solution 6: Team Purchasing

Task 1:

You will maintain a substitute for Team Purchasing activities and then create a shopping cart that will be taken over by your substitute.

1. Maintain the user **STBUYER##** as a substitute for Team Purchasing activities.

Launch SRM and enter the following information

User ID	SRMUSER-##
Password	Provided by instructor

Data for Shopping Cart

<i>Description</i>	Cleaning Agent
<i>Product Category</i>	011
<i>Quantity</i>	2
<i>Unit</i>	L
<i>Net Price</i>	20

Continued on next page

<i>Delivery Date</i>	One week from today
<i>Name of Shopping Cart</i>	Team Cart##
<i>Team Shopping Cart</i>	X

- a) Log onto SRM with the following:

User ID	SRMUSER-##
Password	Provided by instructor

Data for Shopping Cart

<i>Description</i>	Cleaning Agent
<i>Product Category</i>	011
<i>Quantity</i>	2
<i>Unit</i>	L
<i>Net Price</i>	20
<i>Delivery Date</i>	One week from today
<i>Name of Shopping Cart</i>	Team Cart##
<i>Team Shopping Cart</i>	X

- b) Choose *Personalization* from the options on the *Home* tab
- c) Choose *SRM User Settings*
- d) Choose the *Position* tab
- e) Choose *Edit*
- f) Choose a *Form of Address*
- g) Enter a valid *E-Mail* address if necessary.
- h) Choose the *User Account* tab
- i) Enter **STBUYER##** in the *Name of Substitute* field
- j) Select **Today** for the *Start Substitution On* date
- k) Select **One year from today** for the *End Substitution On* date
- l) Choose *Save*
- m) Choose *Close*

Continued on next page

2. Create a Shopping Cart with a Free text item that is available to your Procurement Substitute.
 - a) Choose *Employee Self-Services* → *Shop* from the menu options
 - b) Choose *Describe what you need*
 - c) Enter **Cleaning Agent** as the *Description*
 - d) Enter **011** as the *Product Category*
 - e) Enter **2 L** as the *Quantity/Unit*
 - f) Enter **20** as the *Net Price*
 - g) Choose **One week from today** as the *Delivery Date*
 - h) Choose *OK*
 - i) Choose *Next*
 - j) Check the box next to *Team Shopping Cart*
 - k) Enter **Team Cart##** for the *Name of Shopping Cart*
 - l) Choose **SAVE**



Caution: Do not choose Order

- m) Choose Log Off

Task 2:

Log on as the Procurement Substitute and complete the Shopping Cart

1. Take over and complete the shopping cart your colleague created earlier. You may add additional items, or change the existing item.

Launch SRM and enter the following information

Continued on next page

User ID	STBUYER##
Password	Provided by instructor

- a) Choose *Employee Self-Services*
- b) Choose the *Team Carts* Query tab
You should see the cart created by SRMUSER-##
- c) Select the shopping cart number
- d) Choose *Take Over*
- e) Choose *Refresh*
- f) Choose *Edit*
- g) You may add additional items or change the existing item if you desire
- h) Choose *Next*
- i) Choose *Order*
- j) Choose *Close*
- k) Choose *Log Off*

Exercise 7: Create a Public Template for Shopping Carts

Exercise Objectives

After completing this exercise, you will be able to:

- Create a public template
- Create a shopping cart with reference to a public template

Business Example

To process recurring procurement transactions, you can define templates that your employees can use as references when creating and processing their shopping carts.

Task 1:

Create a public template.

1. Acting as the purchasing Assistant, create a public template named **Standard Supplies##** that can be used by other users to create shopping carts.

Launch SRM and enter the following information

Logon data:

<i>User ID</i>	PURCHASSIST
<i>Password</i>	training

The template should include the following items:

Template item 1: Free form description

<i>Description</i>	8.5 x 11 Copy Paper
<i>Category</i>	Office Material (L)
<i>Quantity</i>	1
<i>Unit of Measure</i>	BOX
<i>Price</i>	5 (You do not need to select the currency, the default currency American Dollar will be assigned once the template is refreshed or saved.)

Continued on next page

Template Item 2: SRM-MDM Catalog

<i>Description</i>	Array Fine Paper, Parchment, 24#, 100 pack
<i>Quantity</i>	1

Template Item 3: Good/Service

<i>Product ID</i>	100-100
<i>Product Description</i>	Casing
<i>Quantity</i>	1

2. For the second item, use the SRM-MDM Catalog. Order quantity **1** of **Array Fine Paper, Parchment, 24#, 100 pack**.
3. For the third item add the product **100-100**.
4. Name your template **Standard Supplies##** and save it.

Task 2:

Create a shopping cart by referencing a template.

1. Add **1 box** of **8.5 X 11 Paper** from the public template **Standard Supplies##** to your shopping cart. Include a request date of **10 days from today**.

Solution 7: Create a Public Template for Shopping Carts

Task 1:

Create a public template.

1. Acting as the purchasing Assistant, create a public template named **Standard Supplies##** that can be used by other users to create shopping carts.

Launch SRM and enter the following information

Logon data:

<i>User ID</i>	PURCHASSIST
<i>Password</i>	training

The template should include the following items:

Template item 1: Free form description

<i>Description</i>	8.5 x 11 Copy Paper
<i>Category</i>	Office Material (L)
<i>Quantity</i>	1
<i>Unit of Measure</i>	BOX
<i>Price</i>	5 (You do not need to select the currency, the default currency American Dollar will be assigned once the template is refreshed or saved.)

Template Item 2: SRM-MDM Catalog

<i>Description</i>	Array Fine Paper, Parchment, 24#, 100 pack
<i>Quantity</i>	1

Continued on next page

Template Item 3: Good/Service

<i>Product ID</i>	100-100
<i>Product Description</i>	Casing
<i>Quantity</i>	1

- a) Launch SRM and enter the following information

<i>User ID</i>	PURCHASSIST
<i>Password</i>	training

Choose *Logon*.

- b) Choose *Purchasing*→*Purchasing*→*Shopping Cart Template (Under Create Documents Area)* so you can create a new template.
- c) Enter **8.5 X 11 Paper** in the *Description* field.
- d) Enter **LOCAL1** in the *Product Category* field.
- e) Enter **1** in the *Quantity* field.
- f) Enter **BOX** in the *Unit* field
- g) Enter **5** in the *Net Price/Limit* field.
- h) Do not leave the current transaction! You are not done shopping.



Caution: If you leave the shop transaction your shopping cart will not be saved.

2. For the second item, use the SRM-MDM Catalog. Order quantity **1** of **Array Fine Paper, Parchment, 24#, 100 pack**.

- a) Choose *Add Item*→*SAP SRM-MDM Catalog*.
- b) Enter **Fine Paper** in the *Keyword* field and choose *Search*.
- c) Select the *Shopping cart* icon under the *Action* column for the *Array Fine Paper, Parchment, 24#, 100 pack*.
- d) Choose *Check Out*
- e) Do not leave the current transaction! You are not done shopping.



Caution: If you leave the shop transaction your shopping cart will not be saved.

Continued on next page

3. For the third item add the product **100-100**.
 - a) Choose *Add Item* → *Internal Goods/Services*
 - b) Enter **100-100** in the *Product ID* field.
 - c) Enter **1** in the *Quantity* field.
 - d) Choose *OK*
 - e) Do not leave the current transaction! You are not done shopping.



Caution: If you leave the shop transaction your shopping cart will not be saved.

4. Name your template **Standard Supplies##** and save it.
 - a) Enter **Standard Supplies##** in the *Name of Shopping Cart* field.
 - b) Choose *Save As Template*.
 - c) Choose *Close*.

Task 2:

Create a shopping cart by referencing a template.

1. Add **1 box of 8.5 X 11 Paper** from the public template **Standard Supplies##** to your shopping cart. Include a request date of **10 days from today**.
 - a) Choose *Employee Self-Service* → *Shop*.
 - b) Choose *Old Purchase Orders and Templates*.
 - c) Select *Public Templates (Created Centrally)* in the *Status* field.
 - d) Choose *Search* to begin the search process.
 - e) Expand the **Standard Supplies##** template
 - f) Select the *Array Fine Paper* item in the template.
 - g) Select the *OK* button.
 - h) Select **1 week from today** in the *Delivery Date* field.
 - i) Choose *Next*
 - j) Choose *Order*
 - k) Choose *Close*

Exercise 8: Create a Shopping Cart on Behalf of Another User

Exercise Objectives

After completing this exercise, you will be able to:

- Create a shopping cart on behalf of another user

Business Example

On some occasions, it is necessary for purchasers and purchasing assistants to be able to shop on behalf of other users. Test this functionality to determine if it will meet your needs.

Task 1:

Create a shopping cart on behalf of another user who is currently not able to access the system.

1. Acting as the operational purchaser, create a shopping cart on behalf of the user **SRMUSER-##**. This user is currently not able to access the system, but has asked you to place an order on their behalf. Order a **17 inch Computer Monitor** from the SRM-MDM Catalog. Select a monitor from the supplier **MCCOY-##**. Request a delivery date of **3 days from today**. Name the shopping cart **Order for SRMUSER-##**. After ordering, check the status of the shopping cart.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMBUYER## Note there is no dash
<i>Password</i>	Provided by instructor

Task 2:

Identify the status of a shopping cart that was created on behalf of a user.

1. Acting as the operational purchaser, search for shopping cart, **For SRMUSER-##**, which was created on behalf of user **SRMUSER-##** and check the status of the cart.

Solution 8: Create a Shopping Cart on Behalf of Another User

Task 1:

Create a shopping cart on behalf of another user who is currently not able to access the system.

1. Acting as the operational purchaser, create a shopping cart on behalf of the user **SRMUSER-##**. This user is currently not able to access the system, but has asked you to place an order on their behalf. Order a **17 inch Computer Monitor** from the SRM-MDM Catalog. Select a monitor from the supplier **MCCOY-##**. Request a delivery date of **3 days from today**. Name the shopping cart **Order for SRMUSER-##**. After ordering, check the status of the shopping cart.

Launch SRM and enter the following information:

Continued on next page

Logon data:

<i>User ID</i>	SRMBUYER## Note there is no dash
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- b) Choose *(1st) Purchasing*→*Purchasing*→*Shopping Cart* (under *Create Documents* work area).
- c) Select **Search ICON** in the *Buy on Behalf Of* field
- d) Enter **SRMUSER-##** in the *User Name* field.
- e) Choose *Start Search*
- f) Select *User-##* from the *Search Result*
- g) Choose *OK*
- h) Choose *Add Item*→*SAP SRM-MDM Catalog*
- i) Enter **Computer Monitor** in the *Keyword* field and then choose *Search*.
- j) Select **McCoy## Inc.** from the list of Suppliers.
- k) Choose the *Shopping Cart* icon under the *Action* column
- l) Choose *Check Out*
- m) Enter **For SRMUSER-##** in the *Name of Shopping Cart* field
- n) Choose *Order*.
- o) Choose *Close*.

Continued on next page

Task 2:

Identify the status of a shopping cart that was created on behalf of a user.

1. Acting as the operational purchaser, search for shopping cart, **For SRMUSER-##**, which was created on behalf of user SRMUSER-## and check the status of the cart.
 - a) For Query *Shopping Carts (All)* choose *Change Query*



Hint: Scroll to the far right

- b) Select the checkbox next to *Bought on Behalf*.
 - c) Choose *Apply* to update the Query

The shopping cart named **For SRMUSER-##** is *Awaiting Approval* by the manager of SRMUSER-##.



Hint: Click on the shopping cart and choose *Approval Process Overview* tab, to see who is responsible for approving the shopping cart.

- d) Choose *Close*
 - e) Choose *Log off*.

Exercise 9: Review Shopping Cart

Exercise Objectives

After completing this exercise, you will be able to:

- Establish a user as a reviewer while a shopping cart goes through the approval process

Business Example

On some occasions, it is necessary for a user to be assigned the task of monitoring the steps taken during the approval of shopping carts.

Task 1: Add a Reviewer

Assign a user as a reviewer of a shopping cart that needs to be approved.

1. Acting as the employee, create a shopping cart with a free text item that will require one approval. Before you order the cart, assign the user **SRMBUYER##** as a reviewer. Order the following item:

Launch SAP SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Item 1: Free form decription

<i>Description</i>	Printer Cartridges
<i>Quantity</i>	100
<i>Unit of Measure</i>	piece(s)
<i>Price</i>	10
<i>Category</i>	Electronics (The category ID is 002)

2. Add user **SRMBUYER##** as the reviewer for the shopping cart.
3. Give the shopping cart the name **Reviewer##** and save it.

Continued on next page

Task 2: Perform review of shopping cart

Review the shopping cart that is awaiting approval.

1. Acting as the reviewer, log on as user **SRMBUYER##** to review shopping cart **Reviewer##**.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	provided by instructor

Solution 9: Review Shopping Cart

Task 1: Add a Reviewer

Assign a user as a reviewer of a shopping cart that needs to be approved.

1. Acting as the employee, create a shopping cart with a free text item that will require one approval. Before you order the cart, assign the user **SRMBUYER##** as a reviewer. Order the following item:

Launch SAP SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Continued on next page

Item 1: Free form description

<i>Description</i>	Printer Cartridges
<i>Quantity</i>	100
<i>Unit of Measure</i>	piece(s)
<i>Price</i>	10
<i>Category</i>	Electronics (The category ID is 002)

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Service*→*Shop* from the menu options.
 - c) Choose *Describe what you need* for free text entry.
 - d) Enter **Printer Cartridges** in the *Description* field.
 - e) Enter **002** in the *Product Category* field.
 - f) Enter **100** in the *Quantity* field.
 - g) Enter **PC** in the *Unit* field.
 - h) Enter **10** in the *Price* field.
 - i) Choose *OK*.
2. Add user **SRMBUYER##** as the reviewer for the shopping cart.
- a) Choose *Next*.
 - b) Choose **Display / Edit Agents** next to *Approval Process*
SRM APPROVER-## is displayed as the assigned approver.
 - c) Choose *Add Reviewer*.
 - d) Enter **SRMBUYER00** in the *Reviewer ID* field.
 - e) Choose *OK* to add the reviewer
The user, SRM BUYER-00, appears in the *Approval Process Overview* screen as a reviewer.
 - f) Choose *OK* to close the Approval Overview

Continued on next page

3. Give the shopping cart the name **Reviewer##** and save it.

- a) Enter **Reviewer##** in the *Name of Shopping Cart* field.
- b) Choose *Order*.

The workflow approval process is started and the reviewer will receive a work item that will allow him to review this shopping cart.

- c) Choose *Close*.
- d) Choose *Log off*.

Task 2: Perform review of shopping cart

Review the shopping cart that is awaiting approval.

1. Acting as the reviewer, log on as user **SRMBUYER##** to review shopping cart **Reviewer##**.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	provided by instructor

Choose *Logon*.

Select *Universal Worklist* so you find the shopping cart that needs to be reviewed.

- b) Select the work item with the description **Review Shopping Cart with Value\$1,000 USD** From **SRMUSER-##**
- c) Choose *Display / Edit Agents* next to *Approval Process*
- d) Enter a note in the *Header Approval Note* and choose *OK*
- e) Choose *Save*
- f) Choose *Close*
- g) Choose *Log off*.

Exercise 10: Approving a Shopping Cart

Exercise Objectives

After completing this exercise, you will be able to:

- Approve a shopping cart

Business Example

In your department, a shopping cart requires approval for values over \$500 USD. SRMUSER-## has requested an item valued over \$500 USD. You need to approve the shopping cart as the employee's manager.

Task 1: Create a Shopping Cart Requiring Approval

As an employee (SRMUSER-##), order a shopping cart with a value over \$500 USD

1. Order 500 cases of **Mt. Shasta Water, 20 Ounce, 24/Carton** from the SRM-MDM Catalog and then approve the shopping cart as the Manager. After the shopping cart has been approved, log back on as the employee to determine the resulting follow-on document.

Launch SRM and enter the following information:

Employee logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

SRMANGER logon data:

<i>User ID</i>	SRMANGER-##
<i>Password</i>	Provided by instructor

Task 2: Approve Shopping Cart

Acting as the manager (SRMANGER-##), execute the approval of the shopping cart created by the employee.

1. Execute the approval of the employee's shopping cart as the manager.
2. Verify that a purchase order was created now that the shopping cart has been approved.

Solution 10: Approving a Shopping Cart

Task 1: Create a Shopping Cart Requiring Approval

As an employee (SRMUSER-##), order a shopping cart with a value over \$500 USD

1. Order 500 cases of **Mt. Shasta Water, 20 Ounce, 24/Carton** from the SRM-MDM Catalog and then approve the shopping cart as the Manager. After the shopping cart has been approved, log back on as the employee to determine the resulting follow-on document.

Launch SRM and enter the following information:

Employee logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Continued on next page

SRMANGER logon data:

<i>User ID</i>	SRMANGER-##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Service* → *Shop* from the menu options.
- c) Select *SAP SRM-MDM Catalog*
- d) Enter **water** in the *Keyword* field and then choose *Search*
- e) Select **Aramingo## Inc** from the list of Suppliers
- f) Enter **500** as the *Quantity*
- g) Choose the *Shopping Cart* icon under the *Action* column
- h) Choose *Check Out*
- i) Choose *Next*
- j) Choose *Display / Edit Agents* next to *Approval Process*

The shopping cart needs to be approved by **SRM Approver-##**

- k) Choose *OK*
- l) Enter **Approval-##** as the *Name of the Shopping Cart*
- m) Choose *Order*
- n) Choose *Close*
- o) Choose *Refresh* to update the *Shopping Carts Query*

The *Status* of the shopping cart named *Approval-##* is *Awaiting Approval*

- p) Choose *Log Off*

Continued on next page

Task 2: Approve Shopping Cart

Acting as the manager (SRMANGER-##), execute the approval of the shopping cart created by the employee.

1. Execute the approval of the employee's shopping cart as the manager.

- a) Launch SRM and log on with the following information:

<i>User ID</i>	SRMANGER-##
<i>Password</i>	Provided by Instructor

- b) Choose *Universal Worklist*
 - c) Highlight the work item with the description **Approve Shopping Cart with Value of 5,500.00 USD**
 - d) Choose *Approve*



Note: The Shopping Cart is removed from the Universal Worklist upon approval

- e) Choose *Log off*.

2. Verify that a purchase order was created now that the shopping cart has been approved.

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Services*
 - c) Select *Refresh* to update the *Shopping Carts* Query



Note: The *Status* of the shopping cart named *Approval-##* is *Approved*

- d) Choose your shopping cart by clicking on the *Shopping Cart Number*
 - e) Select the *Related Documents* tab.

A purchase order was created as a follow-on document. This PO was created in the local SRM system.

- f) Choose *Close*.
 - g) Choose *Log off*.



Lesson Summary

You should now be able to:

- Describe the different ways to create a shopping cart in SAP Supplier Relationship Management
- Explain the purpose and value proposition for using catalogs in SAP Supplier Relationship Management
- Describe the approval workflows for shopping carts

Lesson: Self-Service Procurement: Confirmations

Lesson Overview

This lesson provides an overview of confirmations in SAP Supplier Relationship Management.



Lesson Objectives

After completing this lesson, you will be able to:

- Outline the different scenarios for confirmations in SAP SRM
- Define the roles and their functions for processing confirmations

Business Example

You can use this function in SAP Supplier Relationship Management (SAP SRM) to confirm the delivery of goods, and enter services rendered and hours worked.

Confirmation Scenarios

Goods receipt, service entry, and time entry are handled by one confirmation scenario. The goods receipt, service entry sheets, and time entry sheets are replaced by a single document: the confirmation.

Confirmations can refer either to purchase orders created in SAP SRM, or to purchase orders created outside SAP SRM in the back-end system.

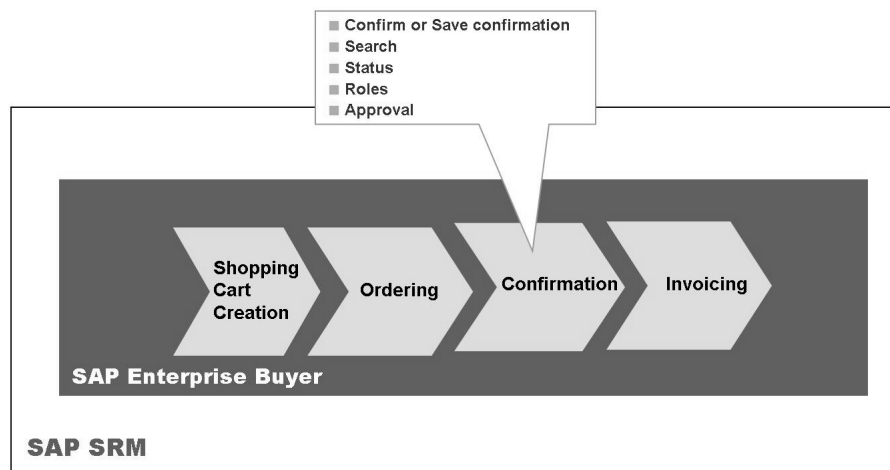


Figure 91: Self-Service Procurement Process: Confirmation

There are two ways for employees or central goods recipients to save their confirmations:

- *Confirm* - Post a document that has been processed completely. You must specify the confirmation date and quantity. The approval workflow is started.
- *Save* - A confirmation is saved as incomplete and then will be completed at a later date. The approval workflow is not started.

You can enter confirmations for purchase orders created in local or backend systems. Local purchase orders create local confirmations. Backend purchase orders (whether created in the Supplier Relationship Management system or not) produce backend goods receipts. You must make the ALE settings in Customizing to transmit the documents.

If you have set limits for tolerances by absolute value, percentage, or days, then deviations must be within those tolerances for the confirmation to be saved. Tolerances are defined in Customizing.

You can search for purchase orders that contain items yet to be confirmed or confirmations that have already been created. Search criteria includes the following: shopping cart, item description, purchase order number, time frame, account assignment category, account assignment value, product category, company code, vendor number, delivery date, role, or product. You may add items for local purchase orders or backend limit orders.

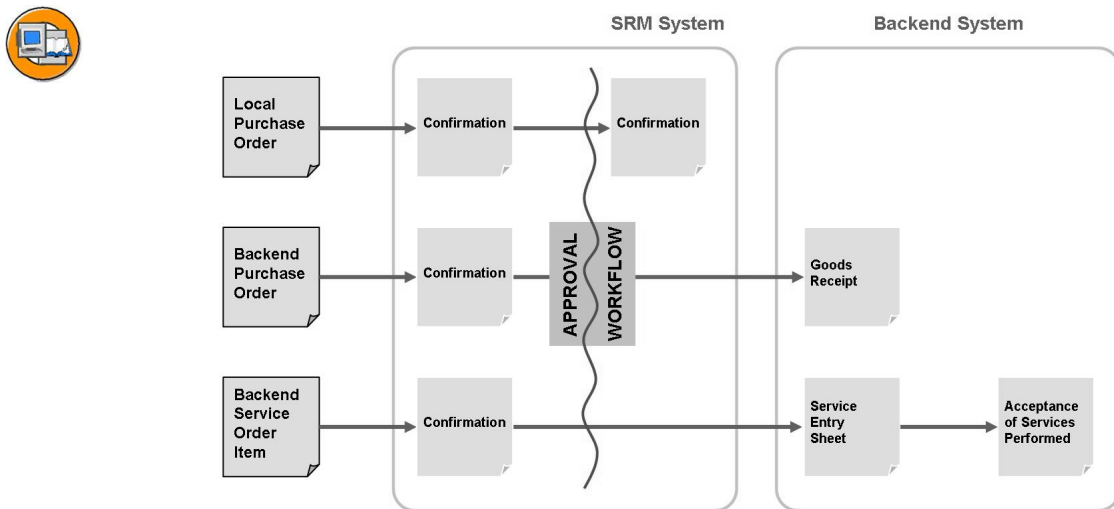


Figure 92: Confirmation Scenarios

➔ **Note:** The approval scenarios for Confirmations will vary depending on which Workflow Framework you are using and your business process.

Return Delivery from Confirmation

You can generate a return delivery from confirmation processing. The return delivery always refers to the entire confirmation. As of SAP SRM 5.0 you can enter the reason for the return delivery of goods for each item. Default texts are supplied as standard and you can tailor these texts to match your requirements. There are two different scenarios:

- Backend purchase order: You create an additional goods receipt document with the return delivery in the backend system that is posted with the movement type 122 (return delivery).
- Local purchase order: You create a new confirmation document with a local return delivery.

Confirmation Functions

Other functions become available after you save a confirmation. The menu choices will display only if the document status and user type allow the transaction.



Display

A list of confirmations is displayed.

Change

You can make changes to confirmations that are in the status *held*. You can only change a confirmation that has already been approved and where canceling the approval is permitted. You can not change a confirmation that has already been transferred to a backend system.

Delete

Confirmations can be deleted if that status is *held*, *awaiting approval*, or *saved*. After deletion, item quantities are available on the purchase order. All existing workflow items are removed.

Previously saved confirmations that were deleted are referred to as **cancelled** or **reversed** transactions. In previous releases, there was a *Cancel* button. Now, the *Delete* button is used to record cancellations. Cancellations are for confirmations that have not been invoiced.

Reset approval

Confirmations for local purchase orders with status *Approved* can be reset, then deleted or changed. All existing workflow items are removed.

Additional Features

Name of the confirmation	Option to enter a document name when you create the confirmation to simplify the search for it later
Confirmed on	Option to enter a document date; the document date is the same as the posting date if you do not enter another posting date
Reference document	Enter data for a delivery note or for a document on services rendered; 40 characters are available but the field is shortened to 16 when transferred to the backend system
Check	Check the validity of the data that has been entered; on the lower part of the screen the system displays messages concerning any errors that may occur

Refresh	Update all details after you have made a change
Recreate	Recreate the data of the underlying purchase order in the confirmation; this is useful, for example, to recreate previously deleted items
Evaluating vendors	Evaluate the vendor using a Web-based questionnaire
Header data	
Basic data	Details on the employee who last changed the document, when it was changed, and a display of the changes
Partner	In a partner overview, you can display the following data and edit related address data: vendor (display only), requester (display only), goods recipient, delivery point, ship-from party, and contact person
Documents	Create texts (internal notes or rejection information) and attachments for a confirmation; you can also create documents at item level
History	Display the document flow, starting with the shopping cart
Status	Display the status of a confirmation: created, complete, held, transaction deleted, confirmed, in approval, approved, rejected, approval canceled, or in the cancellation process
Item details	
Last delivery	While entering or changing data, you can determine whether you expect further deliveries for confirmation
Documents	Create texts (internal notes or rejection information) and attachments for a confirmation
Account assignment	Modify the account assignment category or the G/L account for an item
Purchase order history	Display all the documents with quantities and values that have been generated for a purchase order
Approval preview	
Add reviewers	Add reviewers to look at the entire approval process and add attachments if appropriate
Add further approvers	Add approvers who are authorized to approve or reject work items



Shopping Area - SAP NetWeaver Portal - Microsoft Internet Explorer provided by SAP IT

Welcome Peter SRMUSER-18

Home | Employee Self-Services | Overview

Shopping Area

Shop: Purchase goods and services from catalogs or templates, or describe your requirement.

Advanced Search: Search for existing shopping carts and other documents.

Shopping Carts (14) | Confirmations (1) | Invoices/Credit Memos (0) | Team Carts (0) | Confirmations for Team Carts (0)

Show Quick Criteria Maintenance

View [Standard View] | Export | Shop | Display | Edit | **Create Confirmation** | Print Preview | Refresh

Shopping Cart Number	Shopping Cart Name	Item Number	Item Name	Status	Created On	Quantity	Unit
438	conf18a	1	Battery Charger, AA & AAA, 4 Position	Approved	08.04.2009 11:41:20	1	EA
437	Approval-18a	1	Mt. Shasta Water, 20 Ounce, 24/Carton	Approved	07.04.2009 17:42:31	1,000	EA
438	Reviewer18a	1	pvt cart	Awaiting Approval	07.04.2009 16:47:51	100	PC
112	Kugelschreiber 09.05.2003 16:27	1	Classic Stic Pen, Medium Point, Blue	Public Template	09.05.2003 16:29:21	1	EA
112	Kugelschreiber 09.05.2003 16:27	2	Soft Feel Stic Pen, Medium, Blue	Public Template	09.05.2003 16:29:22	1	EA
112	Kugelschreiber 09.05.2003 16:27	3	Soft Feel Stic Pen, Medium, Black	Public Template	09.05.2003 16:29:22	1	EA
31	Ballpoint Pens	1	Soft Feel Stic Pen, Medium, Blue	Public Template	16.10.2002 16:30:59	1	EA
31	Ballpoint Pens	2	Soft Feel Stic Pen, Medium, Black	Public Template	16.10.2002 16:31:01	1	EA
31	Ballpoint Pens	3	Classic Stic Pen, Medium Point, Blue	Public Template	16.10.2002 16:31:01	1	EA
12	New Employee Office Supplies	1	Waste Container, Elliptical, 13 Quart, B	Public Template	28.09.2002 00:41:07	1	EA

Figure 93: Confirmation from Shopping Cart List

Roles in Confirmations



	■ Employee	Confirms products and approves confirmations
	■ Vendor	Confirms goods delivery or services performed
	■ Central Receiver	Confirms products for multiple users

Figure 94: Roles in Confirmations

There are several groups of users who can process confirmations:

- **Employees** can confirm the receipt of goods or services they ordered, modify the account assignment, add items, change confirmations before they are approved, and display confirmations. Confirmations entered by vendors or central recipients are approved by the requestor.
- **Vendors** can confirm the delivery of their goods. Service providers can enter services that they performed.
- **Central recipients** enter confirmations for groups of users. An example would be administrators who record all of the receipts for their departments. They can add items, change account assignments, change confirmations, and display confirmations.
- **Internal dispatchers** work at a receiving point. They can search by purchase order number, vendor, or the recipient's first or last name. They distribute the products to the recipients using their room number, or notify the actual receivers by e-mail that their goods have arrived. The function that they use is *Manage internal dispatch*.

Exercise 11: (Optional) Create a Confirmation as a Central Receiver

Exercise Objectives

After completing this exercise, you will be able to:

- Create a confirmation as the central receiver

Business Example

You want to validate that workers on your receiving dock will be able to centrally enter receipts in SAP SRM.

Task: Create a Confirmation as a Central Receiver

Order a battery charger from the SAP Catalog and name your shopping cart **Confirmation-##**. The item will be delivered to the receiving dock where a clerk will create the confirmation.

1. Order 1 battery charger from the supplier McCoy-##. This item is in the SRM-MDM Catalog

Launch SAP SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

2. Launch SRM and enter the following information:

<i>User ID</i>	RECIPIENT
<i>Password</i>	training

Acting as a receiving clerk, confirm you have received the battery charger ordered by the user SRMUSER-##.

Solution 11: (Optional) Create a Confirmation as a Central Receiver

Task: Create a Confirmation as a Central Receiver

Order a battery charger from the SAP Catalog and name your shopping cart **Confirmation-##**. The item will be delivered to the receiving dock where a clerk will create the confirmation.

1. Order 1 battery charger from the supplier McCoy-##. This item is in the SRM-MDM Catalog

Launch SAP SRM and enter the following information:

Continued on next page

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

- b) Choose *Employee Self-Service*→*Shop* from the menu options.
- c) Select *SAP SRM-MDM Catalog*
- d) Enter **Battery Charger** in the *Keyword* field and choose *Search*.
- e) Select **McCoy## Inc.** from the list of Suppliers.
- f) Select the *Shopping Cart* icon.
- g) Choose *Check Out*
- h) Select *Next*.
- i) Enter **Confirmation-##** as the *Name of Shopping Cart*.
- j) Select *Order*
- k) Select *Close*
- l) Choose *Refresh* to update the Shopping Cart Query
- m) Select the Shopping Cart named *Confirmation-##*
- n) Choose the *Related Documents* tab

There should be a purchase order as the follow-on document. This PO was created in the ERP system.



Hint: There is a report running in SRM every two minutes that updates the shopping carts when follow-on documents are created on the backend ECC system. If you don't see a PO number right away, wait a minute and then choose the *Refresh* button to update the data.

- o) Write down the PO Number: _____
- p) Choose *Close*
- q) Select *Log off*.

Continued on next page

2. Launch SRM and enter the following information:

<i>User ID</i>	RECIPIENT
<i>Password</i>	training

Acting as a receiving clerk, confirm you have received the battery charger ordered by the user SRMUSER-##.

- a) Launch SRM and enter the following information:

<i>User ID</i>	RECIPIENT
<i>Password</i>	training

- b) Choose *Central Confirmation*—>*Central Confirmation* from the menu options.
- c) Choose *Confirmation* under *Create Documents*
- d) Enter the *Purchase Order Number* from the previous step and choose *Search*
- You should see your PO in the *Search Results*
- e) Choose *Start*
- f) Enter **1** in the *Confirm Quantity* field.
- g) Enter **Central##** as the *Confirmation Name*.
- h) Choose *Check* to verify there are no errors
- i) Choose *Confirm* to create the confirmation
- j) Choose *Close*
- k) Choose *Log off*.

Exercise 12: Enter a Goods Receipt in the ECC System

Exercise Objectives

After completing this exercise, you will be able to:

- Enter a goods receipt in the ECC system for a purchase order resulting from an SRM shopping cart

Business Example

You want to verify that you have the option to enter goods receipts directly in the ECC system for shopping cart items that result in backend purchase orders.

Task 1: Create Shopping Cart

Create a shopping that will result in a purchaser order in the backend ERP system.

1. Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Order a **Odyssey Portable Overhead Projector** from the vendor **SRM-##**.

Task 2: Enter Goods Receipt in the ECC system

Enter the goods receipt for the purchase order directly in the ECC system.

1. Log onto the ECC system from the SAPGui with the following:

<i>User ID</i>	ERP-##
<i>Password</i>	Provided by instructor
<i>Client</i>	800

Enter a goods receipt for the overhead projector directly in the ERP system using the transaction MIGO.

Task 3: Verify That the Shopping Cart is Updated

You want to ensure that the shopping cart is updated to reflect the goods receipt posting that occurred in the ECC system for your shopping cart item.

1. Verify that the shopping cart created in the first task has been updated to reflect the goods receipt posted in ECC system.

Solution 12: Enter a Goods Receipt in the ECC System

Task 1: Create Shopping Cart

Create a shopping that will result in a purchaser order in the backend ERP system.

1. Launch SAP SRM and enter the following information:

User ID	SRMUSER-##
Password	Provided by instructor

Order a **Odyssey Portable Overhead Projector** from the vendor **SRM-##**.

- a) Launch SRM and enter the following information

User ID	SRMUSER-##
Password	Provided by Instructor



Hint: The password is case sensitive.

- b) Select *Employee Self-Services* → *Shop* from the menu options.
- c) Select the *SRM-MDM CATALOG* catalog.
- d) Enter **Overhead projector** in the *Keyword* field and choose *Search*
- e) Select **E-Buyers## Inc.** from the list of Suppliers.
- f) Choose the *Shopping Cart* icon under the *Action* column for the **Odyssey Portable Overhead Projector**.
- g) Choose *Check Out*.
- h) Select *Next*
- i) Enter **Projector##** as the *Name of Shopping Cart*.
- j) Choose *Order*
- k) Choose *Close*
- l) Choose *Refresh* to update the Shopping Carts Query
- m) Select the Shopping Cart named *Projector##*
- n) Choose the *Related Documents* tab

Continued on next page

There should be a purchase order as the follow-on document. This PO was created in the ERP system. Write down this document number:



Hint: There is a report running in SRM every two minutes that updates the shopping carts when follow-on documents are created on the backend ECC system. If you don't see a PO number right away, wait a minute and then choose the *Refresh* button to update the data.

- o) Choose *Close*
- p) Do not log off

Task 2: Enter Goods Receipt in the ECC system

Enter the goods receipt for the purchase order directly in the ECC system.

1. Log onto the ECC system from the SAPGui with the following:

<i>User ID</i>	ERP-##
<i>Password</i>	Provided by instructor
<i>Client</i>	800

Continued on next page

Enter a goods receipt for the overhead projector directly in the ERP system using the transaction MIGO.

- a) Log onto the ECC system from the SAPGui with the following:

<i>User ID</i>	ERP-##
<i>Password</i>	Provided by instructor
<i>Client</i>	800

- b) Execute transaction MIGO.



Hint: Enter MIGO in the command field in the upper left.

- c) Delete any value that is in the *Plant* field
- d) Enter the purchase order number created in the previous task in the Purchase Order Number field
- e) Enter **SRM##** in the *Delivery Note* field.
- f) Select the *Item OK* box in the lower left.
- g) Choose *Post* .

A material document has been created. Make note of this document number. Material Document _____

Continued on next page

Task 3: Verify That the Shopping Cart is Updated

You want to ensure that the shopping cart is updated to reflect the goods receipt posting that occurred in the ECC system for your shopping cart item.

1. Verify that the shopping cart created in the first task has been updated to reflect the goods receipt posted in ECC system.
 - a) Switch back to your SRM session. You should still be on the *Related Documents* tab in the shopping cart.



Hint: If this session has timed out, you will need to log back on.

- b) Choose *Refresh* to update the Shopping Cart Query
The Shopping Cart *Projector##* will no longer appear. This is because it has been fully received and is now considered complete.
 - c) Scroll to the right and choose *Change Query*
 - d) Select the checkbox next to *Including Completed Shopping Carts*
 - e) Choose *Apply* to refresh the Query
 - f) Select the shopping cart named *Projector##*
 - g) Choose the *Related Documents* tab.

The material document is referenced in the follow-on documents. There is no confirmation document created in SRM, since the goods receipt was posted directly in the ECC system.



Lesson Summary

You should now be able to:

- Outline the different scenarios for confirmations in SAP SRM
- Define the roles and their functions for processing confirmations

Lesson: Self-Service Procurement: Invoices

Lesson Overview

Invoices from vendors and suppliers can be recorded in SAP Supplier Relationship Management to complete the procurement process.



Lesson Objectives

After completing this lesson, you will be able to:

- Outline the different scenarios for invoices in SAP SRM
- Define roles and their functions for processing invoices

Business Example

You want to examine the different ways to enter invoices and credit memos in SAP SRM.

Invoice Scenarios

In SAP Supplier Relationship Management, there are several functions for invoices or credit memos. The documents are created in the local or back-end system, depending on the location of previous documents such as purchase orders and confirmations. The approval process may be required based on your business requirements. After the invoice is posted and approved or the credit memo is posted, the payment information is transferred to corresponding back-end systems that contain the components Financial Accounting (FI) and Controlling (CO).

As a purchaser or purchasing assistant, or as an external supplier or service provider, you can enter and process invoices in the SAP Supplier Relationship Management (SAP SRM) system. If you enter or process invoices in the role of supplier or service provider, the invoices must be approved by an authorized internal employee.

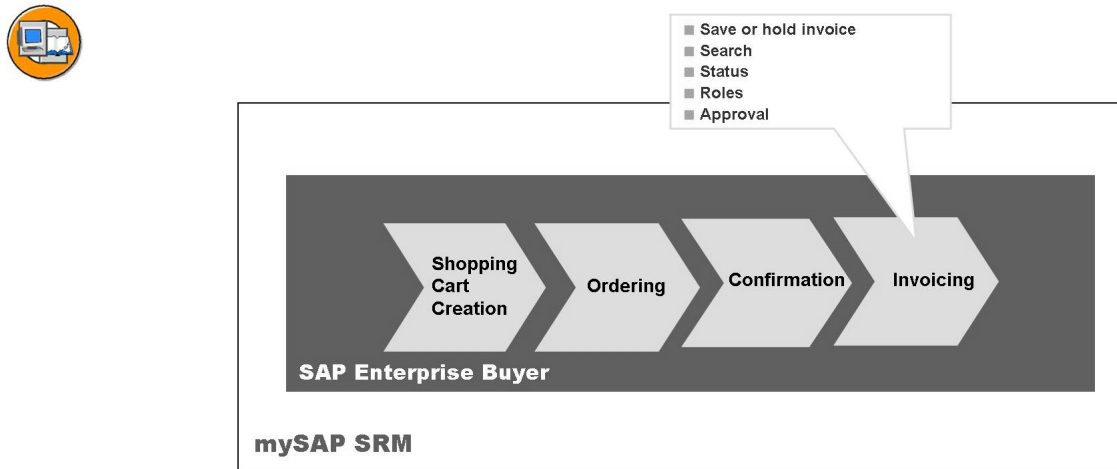


Figure 95: Self-Service Procurement

Invoices for Back-End Purchase Orders

You can enter invoices for backend purchase orders. The data from the purchase order history is read automatically from the backend system. The backend purchase order retains the history of subsequent transactions, such as goods receipts, returns, and invoices. The quantities ordered and received display in the browser for invoice entry. You can check and edit this data. The invoice and the accounting document are posted in the backend system:

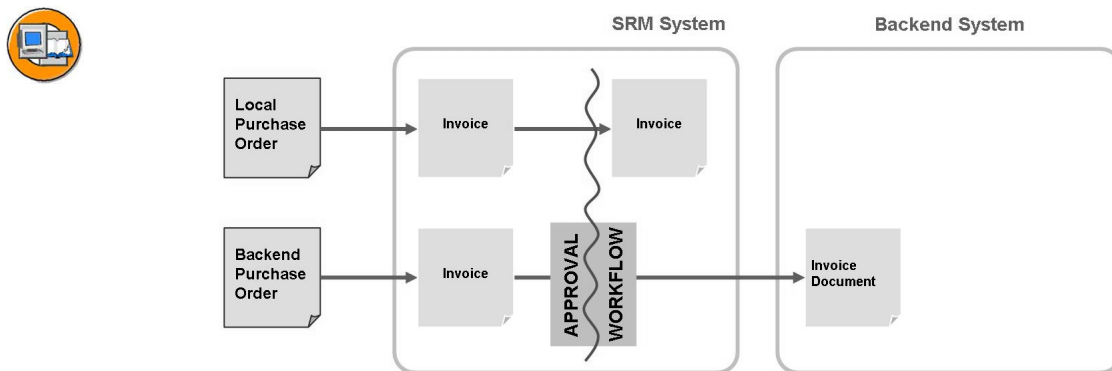


Figure 96: Invoice Scenarios

➡ **Note:** The approval scenarios for Invoices will vary depending on which Workflow Framework you are using and your business process.

- For which confirmations have already been entered or for which no confirmations are expected
- With value limit (provided the value limit has not been exceeded)
- For services

Invoices for Local Purchase Orders

You can enter invoices for local purchase orders. The data from the purchase order history, such as confirmations and other invoices, is read automatically from the local Supplier Relationship Management system. The quantities ordered and received display in the browser for invoice entry. You can check and edit this data. Only the accounting document are posted in the backend system:

- For which confirmations have already been entered or for which no confirmations are expected
- With value limit (provided the value limit has not been exceeded)
- For services

Invoices Without Purchase Order Reference

You can enter invoices for which no purchase orders or confirmations exist in the system. For these types of invoices, you normally enter data from a vendor invoice that you have received by means other than the system, for example, by fax or in paper form. The invoice remains in the Supplier Relationship Management system and the accounting information is posted in the backend system.

Invoices With Purchase Order Reference

You can search for purchase orders or existing invoices or credit memos. The search criteria includes the following: shopping cart, item description, document number, time frame, account assignment category, account assignment value, product category, company code, delivery dates, role, product, vendor, and status.

When creating invoices, you can enter account assignments. Any assignment not yet known can subsequently be completed by the responsible employee.

If you have set value limits for tolerance checks (an absolute value, percentage, or in days), you can create invoices and exceed quantitative or qualitative values. After you enter the vendor's values, check that the balance is zero and post the invoice.

- DA: Exceeded cumulated value (value / percentage)
- DO: Exceed amount, quantity variance (value / percentage)
- LA: Amount of limit purchase order (value / percentage)
- LD: Limit purchase order, time limit exceeded (value)
- PP: Value variance for single value (value / percentage)

Processing Status

You have multiple options for changing the status of your invoices or credit memos. The results of processing, depending on your Customizing settings, are as follows:

Status	Definition
Post	The invoice is sent by workflow to the responsible employee for approval
Save	The invoice data is saved but no follow-on document is generated
Check	The invoice data is checked
Refresh	The invoice data is updated
Change	The system switches from display mode to change mode and you can change data
Display	The system switches from change mode to display mode; this means you can now only display data
Recreate	Current changes in the purchase order to which the invoice refers and, in some cases in goods receipt, are taken into account in the invoice
Delete	The invoice is deleted and is no longer displayed
Cancel	The system reverses the invoice values, generates an offsetting document in Financial Accounting (FI), and automatically creates the reference to the local invoice number
Send via XML	The invoice is sent via XML
Evaluating vendors	The questionnaire on Vendor Evaluation is opened

Depending on the invoice status, you have different options for processing your documents:

Button	Save	Invoice in approval	Approved Invoice
Post	yes	no	no
Save	yes	no	no
Check	yes	no	no
Refresh	yes	no	no
Change	yes	yes ¹	no
Display	yes	yes	no

Recreate	yes	no	no
Delete	yes	yes	no
Cancel	no	no	yes
Send via XML ²	no	no	yes
Evaluate vendor ³	yes	yes	yes

1. Only possible to add reviewers or approvers
2. Only possible for accountants, purchasing assistants, and vendors
3. Only possible for internal employees and if the invoice is opened in display mode

Collective Invoices

A collective invoice is an invoice that refers to more than one purchase order. If you wish to create an invoice for multiple purchase orders (collective invoice), the purchase orders must have the same:

- Vendor
- Invoice recipient (company code)
- Currency
- Backend system – as long as they are not local purchase orders

Cost Distribution

When entering account assignment data, you can use cost distribution to add additional lines and then distribute account assignments to different cost centers. Note that in the case of invoices that relate to back-end purchase orders, you can only change or complete account assignments if no goods receipt or an unvalued goods receipt is planned in the purchase order

- Vendor
- Invoice recipient (company code)
- Currency
- Backend system – as long as they are not local purchase orders

Evaluated Receipt Settlement (ERS)

ERS allows Supplier Relationship Management to automatically create invoices without needing to receive the vendor's invoice. This eliminates invoice variances and communication errors. Transactions are completed quickly.

ERS offers an alternative to manual entry of invoices and credit memos. You can send the settlement documents automatically in print, e-mail, or fax form to the supplier.

The system determines the invoice amount for this ordering transaction (or the credit memo amount in the case of a return delivery) from the prices entered in the purchase order, the terms of payment, the tax information, and the delivery quantity entered in the confirmation. Furthermore, the tax code is copied from the purchase order and the account assignment from the confirmationT.

Supplier Relationship Management will create ERS invoices for local purchase orders. Backend purchase orders can have ERS invoices. but must be run in the backend system.

Credit Memos

There can be cases, following a purchase order, where the goods supplied or the service provided does not meet expectations or is overpriced. In these cases, an internal employee (for example, a purchaser, purchasing assistant, or manager) or a supplier can enter and process credit memos in SAP SRM.

You can create credit memos in one of the following ways:

- With reference to local purchase orders or back-end purchase orders:
 - For which confirmations have already been entered or for which no confirmations are expected
 - With value limit (provided the value limit has not been exceeded)
 - For services
- Without reference to purchase orders or confirmations. For these, you enter data from a supplier invoice that you have received by means other than the system, for example, by fax or in paper form.

Invoice Simulation

If you have maintained the relevant data in Customizing, you can carry out a simulation before posting the invoice to display the resulting line items and any error messages from the back-end system. This invoice simulation is available for invoices with purchase order reference and also those without. Invoice simulation also includes simulation of tax calculation.

You can use the IMG activity to Influence Message Control for Invoice Simulation to stipulate whether the messages from the backend system are displayed as warning messages or error messages, or whether the messages are ignored. Where messages are displayed as error messages, further processing is not possible. You can also use this IMG activity to decide whether the simulation results are displayed or whether the simulation just runs in the background and you merely see error messages that occur. You can also completely deactivate invoice simulation

Roles in Invoices

Invoice entry is controlled by employees, vendors, or accountants, depending on your business process.






	■ Employee	Enter invoices for their purchase orders
	■ Vendor	Enter invoices for their purchase orders
	■ Accountant	Enter invoices for employees and vendors

Figure 97: Roles in Invoices

- **Employee**
 - Enter invoices and credit memos with or without reference to their purchase orders
 - Display, delete, or reverse their invoices
 - Approve invoices entered by vendors or accountants
- **Vendors**
 - Enter invoices and credit memos with or without reference to their purchase orders
 - Display, delete, or reverse their invoices
 - Send invoice documents in XML format or choose print , fax, or e-mail as the output form
- **Accountants**
 - Enter invoices and credit memos centrally with or without reference to purchase orders from multiple employees
 - Display, delete, or reverse their invoices
 - Send invoice documents in XML format or choose print, fax, or e-mail as the output form

Exercise 13: (Optional) Create an Invoice as an Accountant

Exercise Objectives

After completing this exercise, you will be able to:

- Enter an invoice in SRM with the accountant role

Business Example

You do not allow requisitioners to enter their own invoices. Verify that the accountant role in SRM will allow you to centralize the invoice process.

Task 1: Create shopping cart and confirmation

Acting as the employee **SRMUSER-##**, reorder an item from a previously created shopping cart. Then confirm the goods receipt using the express confirmation feature.

1. Reorder AA Alkaline Batteries from a shopping cart you created earlier, named **Batteries##** and then create a confirmation.

Launch SRM and enter the following information

Logon data:

User ID	SRMUSER-##
Password	training

Task 2: Enter the supplier's Invoice Centrally

An invoice for items received in will be entered centrally by an accountant.

1. Enter an invoice centrally for the shopping cart named **Invoice##**. The supplier's invoice number is **7211##**. Choose the option to have the system calculate the total amount of this invoice.

Launch SRM and enter the following information:

Logon data:

User ID	SRMACCT
Password	training

Solution 13: (Optional) Create an Invoice as an Accountant

Task 1: Create shopping cart and confirmation

Acting as the employee **SRMUSER-##**, reorder an item from a previously created shopping cart. Then confirm the goods receipt using the express confirmation feature.

1. Reorder AA Alkaline Batteries from a shopping cart you created earlier, named **Batteries##** and then create a confirmation.

Launch SRM and enter the following information

Logon data:

User ID	SRMUSER-##
Password	training

- a) Launch SRM and enter the following information

Logon data

User ID	SRMUSER-##
Password	training

Choose *Logon*.

- b) Select *Employee Self-Services* → *Shop* from the menu options.
- c) Select *Old Shopping Carts and Templates*
- d) Select the checkbox next to *Include Completed Shopping Carts*
- e) Choose *Search*
- f) Expand the shopping cart named **Batteries##**.
- g) Select the item in the shopping cart and choose *OK*.
- h) Choose *Next*.
- i) Enter **Invoice##** as the *Name of Shopping Cart*.
- j) Choose the *Order* button.
- k) Choose *Close*
- l) Choose *Refresh* to update the Shopping Carts Query
- m) Select the shopping cart named **Invoice##**

Continued on next page

- n) Choose the *Related Documents* tab

There should be a purchase order as the follow-on document. This PO was created in the ERP system.



Hint: There is a report running in SRM every two minutes that updates the shopping carts when follow-on documents are created on the backend ECC system. If you don't see a PO number right away, wait a minute and then choose the *Refresh* button to update the data.

- o) Make a note of the Purchase Order number
P.O. Number is: _____
- p) Choose *Create Confirmation* to post a goods receipt for this item
- q) Choose *Close*
- r) Choose *Log off*.

Task 2: Enter the supplier's Invoice Centrally

An invoice for items received in will be entered centrally by an accountant.

1. Enter an invoice centrally for the shopping cart named **Invoice##**. The supplier's invoice number is **7211##**. Choose the option to have the system calculate the total amount of this invoice.

Launch SRM and enter the following information:

Continued on next page

Logon data:

<i>User ID</i>	SRMACCT
<i>Password</i>	training

- a) Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMACCT
<i>Password</i>	training

Choose *Logon*

- b) Choose *Invoicing* → *Invoicing* from the menu options.
- c) Choose *Invoice* under *Create Documents*
- d) Select *Invoice* for the *Invoice Document* type and choose *Start*
- e) Enter your PO number from the previous step in the *Purchase Order Number* field and choose *Add*
- f) Enter **7211##** for the *Invoice Number (External)*.
- g) Select **Today** as the *Invoice Date*
- h) Choose *Calculate Total Amount*.
- i) Choose *Check*
- j) Choose *Post* .

You will receive a message that an invoice was created.

- k) Choose the *Tracking* tab to see the related documents.



Hint: Since the Invoice was posted in SRM, there are 2 documents associated with the invoice. One is the SRM Invoice document, the other is the Invoice document created in the ECC system.

- l) Choose *Log off*.

Exercise 14: Enter an Invoice in the ECC System

Exercise Objectives

After completing this exercise, you will be able to:

- Enter an invoice in the ECC for a purchase order resulting from an SAP SRM shopping cart

Business Example

You want to verify that you have the option to enter invoices directly in the ECC system for shopping cart items that result in backend purchase orders.

Task 1: Create a Shopping Cart and Confirmation

Create a shopping cart that will result in a purchase order in the backend system. Confirm receipt of the item using express confirmation feature.

1. Order one **Replacement filter for MMMOAC200 Air Cleaner** from the vendor **MCCOY-##** using the SRM-MDM Catalog catalog.

Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Task 2: Enter an Invoice in the ECC

Enter an invoice for a purchase order created by SAP SRM directly in the ECC using the transaction MIRO.

1. If you are not already logged onto the ECC system, log on from the SAPGui with the following:

<i>User ID</i>	ERP-##
<i>Password</i>	Provided by instructor
<i>Client</i>	800

Enter a invoice for the filter directly in the ECC.

Continued on next page

Task 3: Verify That the Shopping Cart is Updated

You want to ensure the shopping cart will be updated to reflect the invoice posting that occurred in the ECC system for your shopping cart item.

1. Switch back to your SRM session.



Hint: If this session has timed out, you will need to log back in again.

Verify that the shopping cart created in the first task has been updated with the invoice posted in the ECC system.

Solution 14: Enter an Invoice in the ECC System

Task 1: Create a Shopping Cart and Confirmation

Create a shopping cart that will result in a purchase order in the backend system. Confirm receipt of the item using express confirmation feature.

1. Order one **Replacement filter for MMMOAC200 Air Cleaner** from the vendor **MCCOY-##** using the SRM-MDM Catalog catalog.

Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Services* → *Shop* from the menu options.
- c) Choose the *SRM-MDM Catalog* catalog.
- d) Enter **Air filter** in the *Keyword* field and choose *Search*.
- e) Select **McCoy## Inc.** From the list of suppliers..
- f) Choose the *Shopping Cart* icon for the **Replacement filter for MMMOAC200 Air Cleaner** from the Supplier **MCCOY## Inc.**
- g) Choose *Check Out*
- h) Choose *Next*.
- i) Enter **Filter##** as the *Name of Shopping Cart*.
- j) Choose *Order* .
- k) Choose *Close*
- l) Choose *Refresh* to update the Shopping Cart Query
- m) Select the Shopping Cart named *Filter##*
- n) Choose the *Related Documents* tab

Continued on next page

There should be a purchase order as the follow-on document. This PO was created in the ERP system.

Write down the PO number: _____



Hint: There is a report running in SRM every two minutes that updates the shopping carts when follow-on documents are created on the backend ECC system. If you don't see a PO number right away, wait a minute and then choose the *Refresh* button to update the data.

- o) Choose *Create Confirmation* to post a confirmation for the item.
This will create a Goods Receipt posting in the ECC system.
- p) Choose *Close*
- q) Do not log off

Task 2: Enter an Invoice in the ECC

Enter an invoice for a purchase order created by SAP SRM directly in the ECC using the transaction MIRO.

1. If you are not already logged onto the ECC system, log on from the SAPGui with the following:

<i>User ID</i>	ERP-##
<i>Password</i>	Provided by instructor
<i>Client</i>	800

Continued on next page

Enter a invoice for the filter directly in the ECC.

- a) If you are not already logged onto the ECC system, log on from the SAPGui with the following:

<i>User ID</i>	ERP-##
<i>Password</i>	Provided by instructor
<i>Client</i>	800

- b) Execute transaction MIRO.



Hint: Enter /NMIRO in the command field in the upper left.

- c) From the menus at the top of the screen choose *Edit* → *Switch Company Code*
- d) Enter **3000** as the *Company Code* and choose *Continue (Enter)*
- e) Enter **today's date** in the *Invoice Date* field.
- f) Enter **SRM##** in the *Reference* field.
- g) Enter **382.00** in the *Amount* field.
- h) Enter your purchase order in the *Purchaser Order/Scheduling Agreement* field and choose *Enter (Green check)*



Hint: There should be a green light in the upper right indicating that the invoice amount is correct.

- i) Choose *Save (Post)*.

You will receive a message that a document was created. Write down this document number.

Task 3: Verify That the Shopping Cart is Updated

You want to ensure the shopping cart will be updated to reflect the invoice posting that occurred in the ECC system for your shopping cart item.

1. Switch back to your SRM session.



Hint: If this session has timed out, you will need to log back in again.

Continued on next page

Verify that the shopping cart created in the first task has been updated with the invoice posted in the ECC system.

- a) Switch back to your SRM session.



Hint: If this session has timed out, you will need to log back in again.

- b) Choose *Refresh* to update the Shopping Cart Query
- c) Select the Shopping Cart named *Filter##*
- d) Choose the *Related Documents* tab

The invoice document created from the posting made in the ECC system will be referenced in the follow-on documents. There will not be an SRM invoice document, since the invoice was entered directly in the ECC System.

- e) Choose *Close*



Lesson Summary

You should now be able to:

- Outline the different scenarios for invoices in SAP SRM
- Define roles and their functions for processing invoices

Lesson: Plan Driven and Manual Direct Procurement

Lesson Overview

SAP Supplier Relationship Management supports end-to-end procurement of direct materials. Direct procurement refers to ordering items for inventory in the SAP ECC backend, to be consumed later by production and sales processes. The procurement process can either be triggered manually from within the procurement system, or automatically by the SAP Advanced Planner and Optimizer (APO) or Material Requirements Planning (MRP).



Lesson Objectives

After completing this lesson, you will be able to:

- Describe the Plan Driven Procurement process within SRM
- Explain the manual direct procurement process flow in SRM
- Explain the sourcing integration with direct procurement

Business Example

Your company wants purchase requisitions created from the MRP, Plant Maintenance, and Project Systems components to be sourced within SRM. You need to verify that the sourcing capabilities of SAP SRM can handle this requirement. Furthermore, you want to verify that your company will be able, on occasion, to manually order direct materials from SRM.

Plan-Driven Procurement



Operational procurement is integrated with existing supply chain management, plant maintenance, and project management solutions for compliance enforcement, process, and supplier selection efficiency

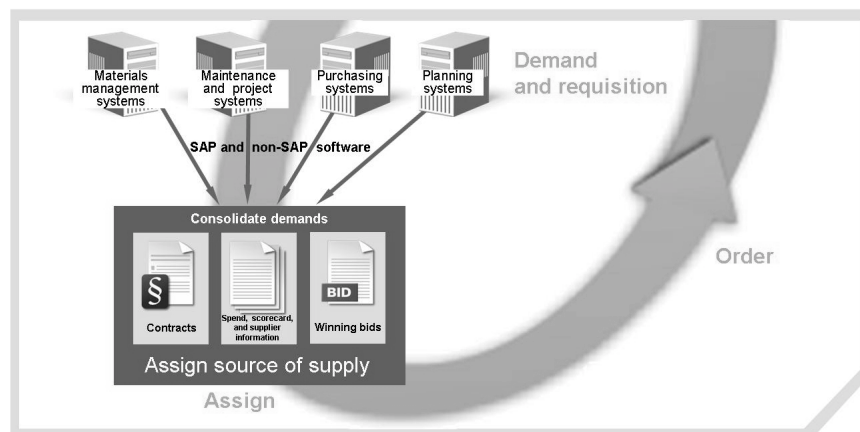


Figure 98: Plan-Driven Procurement Process

You can use this business scenario to process requirements that have been generated in systems other than SAP SRM. In a highly integrated procurement process, demand for products can come from several different planning systems that reside outside of SAP SRM, such as material requirements planning (MRP) systems for production planning, automated production systems (APS) for advanced, constraint-based planning, project systems for project planning, or plant maintenance systems for maintenance and repair planning. Plan-driven procurement is especially important for the procurement of direct materials. Demand from production is transferred to SAP SRM using an open XML interface. Within SAP SRM, a contract can be automatically assigned to the demand and a purchase order sent out.

Plan-driven procurement covers the following topics:

Planning

Demand for direct materials is usually planned by MRP or Advanced Planning and Scheduling (APS) systems, and materials are transferred to the e-procurement application in the form of a requisition. In the back-end system, SAP SRM can be defined as the target system to which requirements are sent. Purchase requisitions with the relevant purchasing groups and materials groups are processed as external requirements in SAP SRM.

Ordering: Automated Order Generation

When only one approved contract fulfills the requirement, a purchase order is automatically created and processed. In more complicated scenarios, where multiple sources of supply exist, SAP SRM can evaluate rules and attributes and select an optimal source of supply. Release orders against contracts can also be created automatically.

If a purchase order is complete, it is replicated to the execution system and the planning system, where it cannot be changed. The leading purchase order is held in SAP SRM. Any possible changes to the purchase order are carried out there. The replicated purchase order is updated in the execution system.

Purchase order information enables subsequent processing (for example, entry of a confirmation) in the backend system. When using non-SAP planning or execution systems, purchase order information can be replicated in XML format. SAP SRM integrates with the SAP Business Information Warehouse (SAP BW) and allows you to analyze purchase orders according to various criteria, such as vendor or requester, product, or product category.

Source of Supply Determination

In cases where more than one possible source of supply exists, requisitions will need to be processed by a purchasing professional. To aid this process, SAP SRM provides all the information a purchaser needs to make an optimal sourcing

decision. For instance, an open partner interface provides access to third-party vendor information, such as Dun & Bradstreet data. Purchasers can also run vendor evaluations or price comparisons to compare sourcing options.

Third-Party Processing

SAP SRM supports third-party processing, where a supplier sends materials directly to the buying company's customer. The purchase order for the supplier contains all the information required to ship goods directly to the end customer, using information from the sales order and the ship-to address.

Confirmation and Invoice

You can pre-enter the documents using SAP SRM. The actual posting of goods receipt and invoice occurs in the execution system.

Process Flow

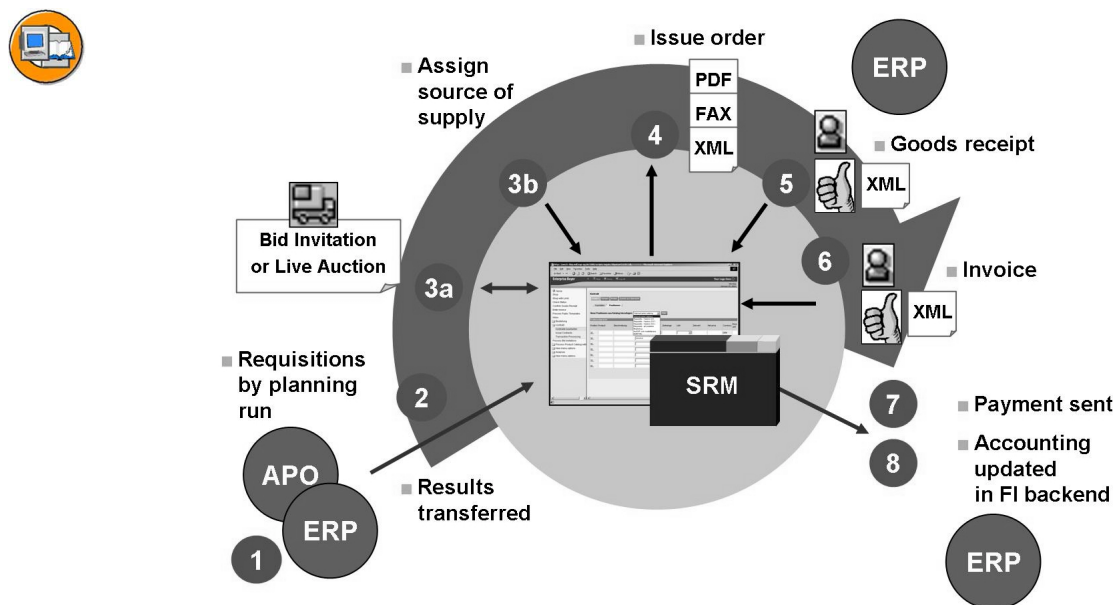


Figure 99: Plan Driven Procurement: Process

These are the process steps within plan-driven procurement (for example, material resource planning in the SAP ECC materials management system):

1. Planning in APO or in ECC MRP calculates the quantity and materials required. Purchase requisitions can be created for these requirements. The requirements can then be transferred to the SRM system. Requisitions from Plant Maintenance or the Project System can also be transferred.
2. These requisitions are passed to SAP SRM. If the data is complete and unique, purchase orders can be created automatically. If data is missing, the professional purchaser must complete the missing information in sourcing or via process purchase orders. Customizing determines the route.
3. An option for the professional purchaser is to process requirements using the SAP Bidding Engine.

The professional purchaser can also manually complete purchase orders, assign sources of supply, add items, or delete items.

4. Once the order is complete, it is issued manually by the professional purchaser or automatically by a scheduled program. XML is the upcoming medium, since the data can be automatically integrated in more and more suppliers' systems, or you can send orders by e-mail, fax, or on paper.
5. Goods receipt is either done in SAP SRM by the supplier via an XML confirmation; by the employee who requested the item via a general goods receipt (the last two options may require approval from the requester); or in the back-end system. Inventory is updated in the backend.
6. The invoice is processed manually in SAP SRM by the requester or an accountant; submitted by the supplier via an XML invoice, possibly from SUS; or in the backend system.
7. This step is the same as for self-service procurement.
8. This step is the same as for self-service procurement.

Sourcing Integration with Direct Procurement

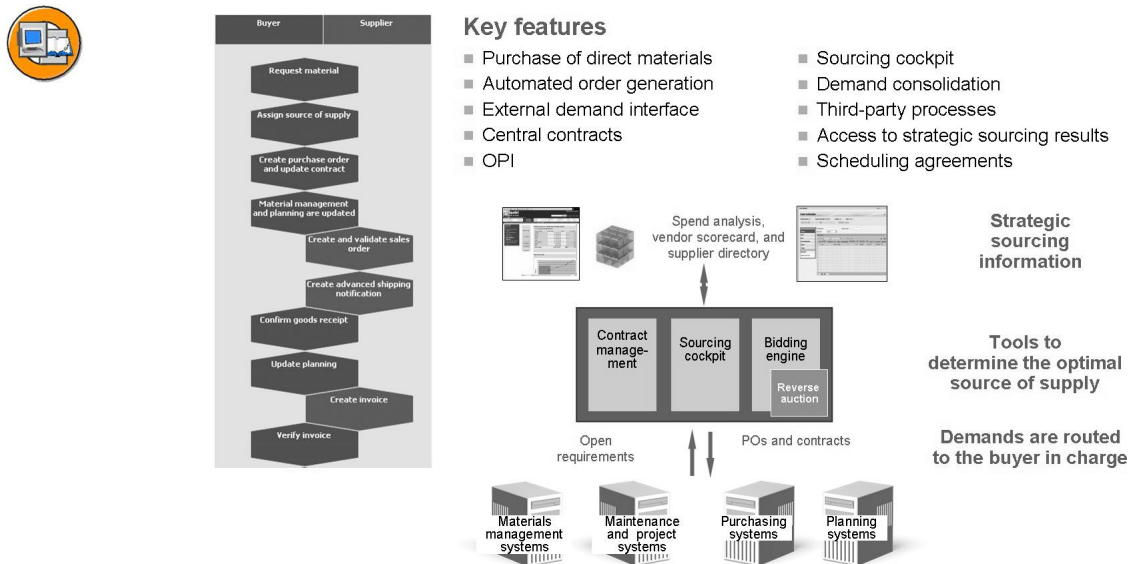


Figure 100: Sourcing Integration

If Customizing is set up for sourcing, the requirements appear in the sourcing transaction. Otherwise, they can be processed in the purchasers worklist.

As of SAP SRM 4.0 you have full access to all sources of supply located in the corresponding backend (contracts and purchasing information records) within the sourcing cockpit. These can be assigned to requirements coming from the backend with a resulting purchase order created directly in the backend (external classic requirement.)

SAP SRM will not automatically assign a source of supply to external classic requirements. The search for backend contracts and purchasing information records must be triggered interactively.

Sourcing with backend contracts and purchasing information records is not supported for requirements processed in the extended classic scenario.

After assigning a source of supply, the items can be ordered. The document flow in SAP SRM and SAP ECC shows the relationship between the purchasing documents.

Manual Direct Procurement



The screenshot displays the SAP NetWeaver Portal 'Shop' interface. At the top, there's a navigation bar with 'Previous', 'Next', 'Close', 'Save', and 'Check' buttons. Below this, the 'Items in Shopping Cart' section shows a table with one item: Line Number 0001, Item Type Material, Product ID T-SRM18, Description Casing SRM18, Product Category 001, and Metal processing. The table also shows Quantity 10, Unit PC, Net Price 121,73, Currency USD, and Delivery Date 03.04.2009.

The 'Details for item 1 Casing SRM18' section is expanded, showing various tabs: Item Data, Account Assignment, Notes and Attachments, Delivery Address/Performance Location, Sources of Supply / Service Agents, Table Extensions, and Availability. The 'Item Data' tab is active, displaying fields for Identification (Item Type: Material, Product ID: T-SRM18, Description: Casing SRM18, Product Category: 001, Metal processing, Order as Direct Material: ☐, Company Code: 3000, IDES US INC), Organization (Purchasing Group: PH1 PGRP 010, Subcontracting: ☐, Show Members), Currency, Values, and Pricing (Order Quantity / Unit: 10 PC, Price / Currency: 121,73 USD, Price Unit: 1), and Service and Delivery (Delivery Date: 03.04.2009, Location / Plant: 393 Atlanta, Storage Location: 0001 Warehouse 0001, Incoterm Key/Location: ☐, Goods Recipient: 890 SRM User-18).

Figure 101: Manual Direct Procurement

Manual entry of direct material items **without contract**:

1. Manual or catalog items are added to a shopping cart (or a bid invitation) as direct materials.
2. After approval, the shopping cart (or the selected bid, for a bid invitation) is entered as local purchase order.
3. If the purchase order is complete, it is replicated to the executing system where it cannot be changed. Changes are only possible in SAP SRM.
4. The data of the local purchase order is transferred to the reporting system.
5. The goods receipt and invoicing occur either in the executing system or in SRM, and the material evaluation and FI evaluation occur in the executing system.
6. The purchase order history can be transferred from the executing system asynchronously to SRM.
7. If this is relevant for planning, the products for the entered item are transferred to the planning system.

Manual entry of direct material items **with contract**:

1. As an enhancement to the previous scenario, you can enter a local contract as source of supply in the shopping cart.
2. Following a contract release order, the system updates the contract release order list. SRM uses the contract conditions in the local purchase order.

Exercise 15: Manual Direct Procurement

Exercise Objectives

After completing this exercise, you will be able to:

- Manually order a direct material in SAP SRM

Business Example

Your organization is considering using manual direct procurement in SAP SRM.

Task: Manual Direct Procurement

As an employee, create a shopping cart in SAP SRM with a manual direct procurement requirement for item. There is a purchasing information record for this item in the backend ERP system.

1. Manually order 10 casings, product **T-SRM##**, for direct procurement. Name the shopping cart **DIRECT##**.

Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

2. Acting as the operational purchaser, verify the leading purchase order was created in SRM from the shopping cart **DIRECT##**.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

3. Verify that the leading purchase order created in SRM from shopping cart **DIRECT##** has been replicated to the SAP ECC system.

Log onto the ECC from the SAPGui with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Solution 15: Manual Direct Procurement

Task: Manual Direct Procurement

As an employee, create a shopping cart in SAP SRM with a manual direct procurement requirement for item. There is a purchasing information record for this item in the backend ERP system.

1. Manually order 10 casings, product **T-SRM##**, for direct procurement. Name the shopping cart **DIRECT##**.

Launch SRM and enter the following information:


<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor


- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Service*→*Shop*.
- c) Select *Internal Goods/Services*
- d) Enter **T-SRM##** in the *Product ID* field
- e) Enter **10** in the *Quantity* field.
- f) Choose *OK*.
- g) Choose *Details*
- h) Select the *Account Assignment* tab

 **Note:** Account assignment is *Cost Center*, thus it would be treated as a consumable item.
- i) Select the *Item Data* tab.
- j) Choose the checkbox next to *Order as Direct Material*

 **Note:** The *Account Assignment* tab disappears. The account assignment will be determined in the ECC system based on automatic account determination.
- k) Select the *Sources of Supply* / *Service Agents* section.

Continued on next page

t



Note: Vendor **Aramingo-00** has been automatically assigned from the purchasing information record that exists in the ECC system. The price of the shopping cart item comes from the last PO in the ECC system using this material & vendor combination. This is stored in a purchasing information record.

- l) Choose *Next*.
- m) Change the shopping cart name to **DIRECT##** and choose *Order*.
- n) Choose *Close*.
- o) Select *Refresh* to update the shopping cart query.
- p) Select the shopping cart named *Direct##*
- q) Choose the *Related Documents* tab in the *Item Details* section and note the resulting follow-on document.
- r) Write down the purchase order number. _____



Hint: Direct procurement in SRM follows the Extended Classic scenario. The leading P.O. is created in SRM and then replicated to the ECC system when it is complete. This P.O. is complete because the system automatically determined a price and vendor from the purchasing information record.

- s) Choose *Close*
 - t) Choose *Log off*.
2. Acting as the operational purchaser, verify the leading purchase order was created in SRM from the shopping cart **DIRECT##**.

Launch SRM and enter the following information:

Continued on next page

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose the 1st *Purchasing* → *Purchasing* from the menu.
 - c) Choose the *Active Query Purchase Orders: All*
 - d) Select the Purchase Order Number from the previous step
 - e) Choose *Details* to see the item details. Also navigate to other tabs and explore the data in the document.
 - f) Choose *Close*.
 - g) Choose *Log Off*
3. Verify that the leading purchase order created in SRM from shopping cart **DIRECT##** has been replicated to the SAP ECC system.

Log onto the ECC from the SAPGui with the following information:

Continued on next page

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

- a) Log onto the ECC from the SAPGui with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Choose *Logon.* .

- b) Enter transaction **/NME23N** in the command field..
- c) From the menu at the top of the screen, choose *Purchase Order*→
Other Purchase Order.
- d) Enter the purchase order number created in SRM from the shopping
cart **DIRECT##**

You can only view the purchase order that was replicated from SRM.
Any changes must be made to the leading purchase order in SRM.
Changes will be replicated to the ECC system.



Lesson Summary

You should now be able to:

- Describe the Plan Driven Procurement process within SRM
- Explain the manual direct procurement process flow in SRM
- Explain the sourcing integration with direct procurement

Lesson: Service Procurement

Lesson Overview

Service procurement supports a company in managing resources and monitoring costs. In comparison to materials purchasing, the process of service procurement is often more complex and less standardized. The requirement of a service is undefined in quantity, duration, and price at the point of purchase. This means that the service is not specified until the supplier confirms it.

Service Procurement within SAP Supplier Relationship Management (my SAP SRM) covers a wide range of services, such as temporary labor, consulting, maintenance, facility management, and much more.

This lesson will focus on the following two service scenarios:

1. 1. The procurement of temporary labor and time entry of the services rendered
2. 2. The sourcing and procurement of services, which are Hierarchical in nature. (New as of SRM 7.0, ECC 6.0 Ehp 4)



Lesson Objectives

After completing this lesson, you will be able to:

- Describe the process for ordering temporary labor within SAP SRM
- Explain the roles in SAP SRM that can order temporary labor
- Detail the options for entering confirmations for services in regards to temporary labor
- Describe the process in detail for transferring of external service items with hierarchies between ERP and SRM.
- Explain other new and enhanced features in Service Procurement as of SRM 7.0, ECC 6.0 Ehp 4.

Business Example

Besides ordering products, your company will also be using SAP SRM to order services such as temporary labor and consulting. You need to examine the capabilities of SAP SRM to handle these requirements.

Your company also has the requirement to take those Purchase Requisitions generated out of your SAP ERP system with service hierarchical structures and automatically transfer them into SAP SRM in order to take advantage of standard sourcing functionality such as demand aggregation and sourcing through RFx events, or available contracts.

Service Procurement External Staffing

You can use this business scenario to cover the entire service procurement process for External Staffing. The process starts when you send your request to the supplier. A purchase order is created, times and expenses are entered in the system, and an invoice is created. You can interact with your suppliers by connecting a supplier system like Supplier Self-Services (SUS) to your procurement system. Your service providers can then enter services performed and create invoices for these services. All documents created by your suppliers have to be approved by an internal employee.



Services processes are more complex and less standardized compared to products. Service procurement requires increased flexibility, greater collaboration, and judicious cost management.

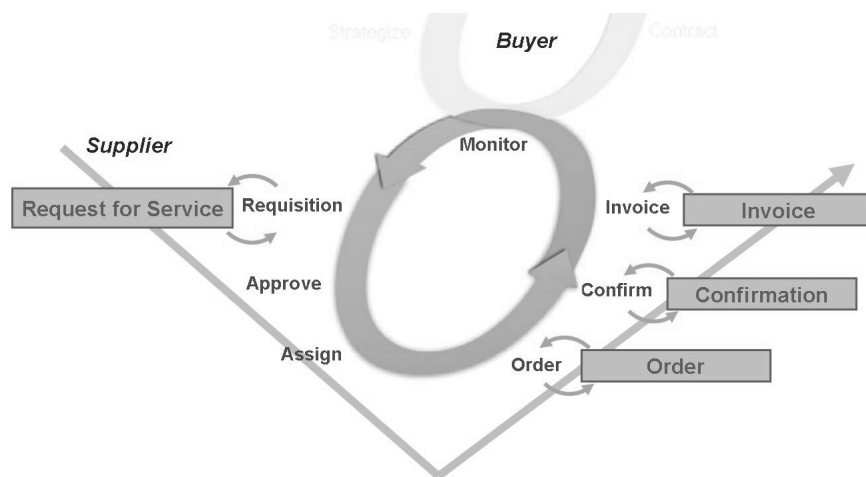


Figure 102: Service Procurement for External Staffing Process

Create Request for External Staff You can use this business process to send a request to a supplier for detailed information on a specific service, or the availability of individual service agents before ordering external staff or services. As a supplier, SAP Bidding Engine notifies you that you have received such a request. When entering a response it is possible, for example, to name the service agent or reject individual items in the request. If pricing has not occurred in the request, you must enter a price in the bid. After the supplier has sent back the bid, you as an employee or purchasing assistant are notified by e-mail of the receipt of the supplier's response. Via the application Check Status you are able to display the bids received, compare them, and place an order accordingly. If applicable, the system starts the approval process and generates a purchase order automatically.



Create Shopping Cart

Number 431 Document Name SRM-BUYER30 17.05.2009 20:22 Status In Process Created On 17.05.2009 20:22:38 Created By SRM-BUYER-30

▼ General Data

Buy on Behalf Of: Approval Note:

Name of Shopping Cart:

Default Settings: Note to Supplier:

Approval Process:

Budget:

Document Changes:

▼ Item Overview

Internal Goods/Services	Product ID	Description	Product Category	Product Category Description	Quantity	Unit	Net Price / Limit	Per	Currency	Delivery Date	Notes	Attachments	Account Assignment	Item Status		
Limit Item		<u>Business Local Services (L)</u>														
Old Shopping Carts and Templates		<u>Accounting Staff</u>	LOCAL4	Local Services (L)	40.0	HR				Timeframe	⌵ ⌴		Cost center (4145)			
As Service Order			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
As Service Request			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
SAP SRM-MOBI CATALOG - <small>only as available</small>		Menu item - 5 of 6 items - To	002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undef select press enter			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undefined item Type			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undefined item Type			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undefined item Type			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undefined item Type			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undefined item Type			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undefined item Type			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
• Undefined item Type			002	Electronics	1,000		0.00	1	USD	17.05.2009	⌵ ⌴					
														Total Value	0.00	USD
														Tax amount	0.00	USD
														Total Val. (Gross)	0.00	USD

Figure 103: Create Request for External Staff

Users with the following roles can create a requests:

- **Purchasers** using SAP Bidding Engine
- **Employees** using the Request application
- **Purchasing assistants** using the Request link in the shopping cart



Hint: Request can be created for local and backend product categories.



Note: Requests can only be created if there is a source of supply for the related service master or product category, such as a contract, interlinkage or vendor list.

Besides the usual additional information that you can include in the request using texts and attachments, you can also create a skills profile as a PDF form in the request. In this PDF form, you enter the prerequisites that a service agent must fulfill. You can use a Business Add-In to modify the list of skills available for selection in the PDF form.

You define limits for each service unit (for example, a day) for a specific purpose (for example, travel costs). Alternatively, you can also define limits as the highest amount for unscheduled items that are only specified during performance of the service and that are settled following performance.

For greater clarity, the system displays all items of your request combined in a hierarchy item before you send the request. To display the individual items, you expand the hierarchy item.



Hint: This type of display is only possible in the standalone scenario and in the extended classic scenario.

The system carries out pricing in the request whenever a user creates a new request or when the user changes price-relevant data (source of supply, quantity, unit of measure) in an existing request. In principle, pricing is dependent on the sourcing. Sourcing occurs in the request based on vendor lists, contracts (for a product category or a product), or product linkages. The system applies the following priorities when pricing:

1. Manual price (if field is available for input.)
2. Contract price
3. Price from product linkage
4. Price from product master

If a user adds multiple sources of supply (vendors) or free text items to a request, or if the system determines the vendor based on a vendor list or a product category contract, then no price can be determined in the request. In this case, the vendor must enter a price in the bid. If an employee or a purchasing assistant accepts a vendor's bid, the system transfers the vendor's specified price into the purchase order.

To support the procurement of temporary labor, SAP SRM has a easy-entry screen with service-specific fields in the "extended form" shopping cart which is available to Purchasers and Purchasing Assistants. This screen facilitates the comfortable and flexible procurement of services. To enter your service request, you can use free-text entry or refer to product master data. The easy-entry screen offers service-specific fields for the service provider and performance period. You define the performance location on header level. You can also specify limit positions for expenses and overtime.

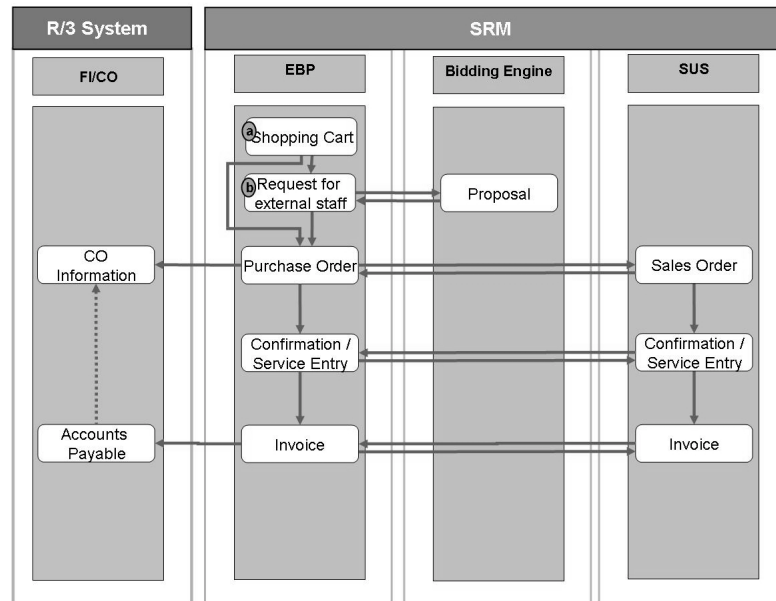


Figure 104: Procurement of External Staffing: Standalone Scenario



Note: The use of SUS in this process is not required.

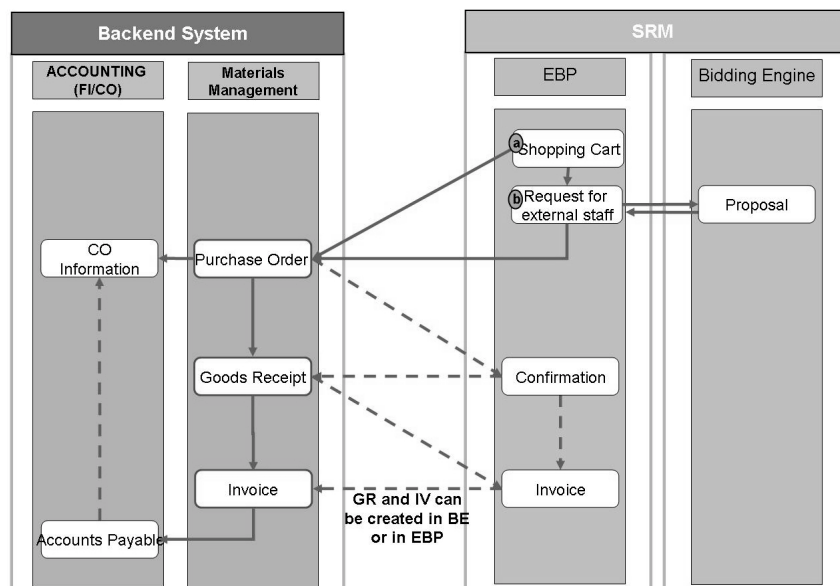


Figure 105: Procurement of External Staffing: Classic Scenario



Note: The goods receipt and invoice can be entered in either system.

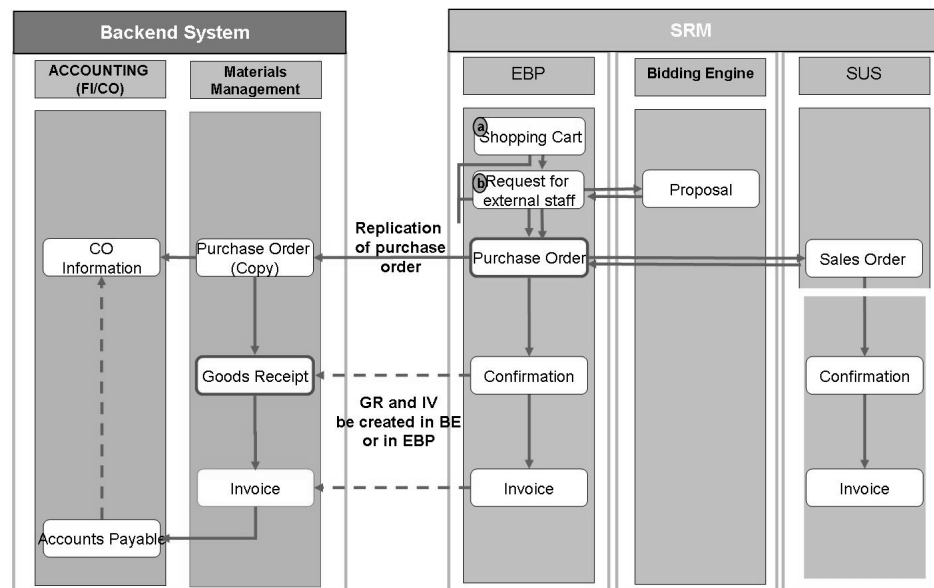


Figure 106: Procurement of External Staffing: Extended Classic Scenario



Note: The use of SUS in this process is not required.



Note: The goods receipt and invoice can be entered in either system.

The requester specifies a supplier and then selects a favored service provider that is an employee of this supplier. You can select a service provider that is already maintained as a partner in SRM, or you can select a special job description profile from the catalog. If there is no entry for the supplier, the incomplete purchase order is sent to the sourcing cockpit. The purchaser can enter the source of supply manually or through tendering.

The limit positions within the shopping cart for temporary labor enable you to set a provision during the planning phase of a procurement project for unplanned services (expenses or overtime) that are not precisely definable in amount or duration. This combines planned and unplanned positions that belong together in a single temporary labor shopping cart. Confirmations for services can be created and invoiced within a predefined limit. The type of service can be specified at the time of service entry. This guarantees cost monitoring.

When the shopping cart has been created and approved via workflow by the manager responsible, the purchase order can be sent out to the supplier by mail, fax, e-mail, or as an XML-file.



Hint: If, as purchaser, purchasing assistant, or employee, you have already sent a request for information to suppliers, you can order the external staff or services in the Check Status application. This can be done after you receive a response from the supplier. By choosing the *Submit Request* button the system creates a purchase order.

Service-specific entry fields: Users can specify services by entering information such as service providers, start and end date, limits for expenses, and overtime.

Quick entry screen: Professional users can enter a service requisition with a quick entry screen in SAP SRM.

Selection of service provider: A service provider is a specific employee of a vendor and can be an SUS user or contact person for vendor in the SAP SRM vendor master.

Catalog-based search: Services can also be selected from either an internal or external (service company) catalog and used as a source of supply for service requisitions.

Assigning source of supply: Sources of supply can be SAP SRM contracts or catalog items

Time Entry for Services



Create Confirmation

Confirmation Number: 1000000011 Purchase Order Number: 1000000020 Status: In Process Confirmed Value: 2,000.00 USD

☒ Confirmation has no errors

Close Print Preview Check Confirm Save Revert

Overview Header **Item** Notes & Attachment Approval Tracking

▼ Item Overview

Details Add Item Copy Paste Duplicate Delete Copy All Outstanding Quantities

Line Number	Item Type	Product ID	Description	Product Category	Outstanding Quantity	Confirm Quantity	Unit	Price	Currency	Per	Delivery Date	Assign Type
1	Services		Accounting Staff		40,0	40,0	HR	50,00	USD	1	17.05.2009	Cost center

Details for Selected Item 1:

Item Data Account Assignment Notes and Attachments **Service Time Sheet**

From: To: Generate Time Sheet Update Delete

Item	Start Date	Start Time	End Time	Quantity	Unit
1	24.05.2009	08:00:00	14:00:00	8,0	HR
2	25.05.2009	08:00:00	14:00:00	8,0	HR
3	26.05.2009	08:00:00	14:00:00	8,0	HR
4	27.05.2009	08:00:00	14:00:00	8,0	HR
5	28.05.2009	08:00:00	14:00:00	8,0	HR

Figure 107: Time Entry Sheet for Services

Service entry scenarios: Service entry can be done either in Enterprise by the requester or professional user, or in SUS by the service provider himself.

Time recording: Actual working time including start date and a short description can be entered.

Expenses and overtime: Expenses such as accommodation or transportation can be defined in the system settings and can be assigned during the confirmation.

Contract and catalog items: Unplanned items can be further specified by assigning contracts and catalog items.

Approval workflow: If service entry is done by the service provider in SUS, an approval workflow is triggered in SRM (approval by requester or professional user).

Service Procurement Classic with Hierarchies

Create an External Requirement in ECC: You can use this business process to transfer a requirement (Purchase Requisition) with Service Hierarchical Structures from SAP ECC to SAP SRM's Sourcing Cockpit. This allows one to take full advantage of standard sourcing functionality such as demand aggregation and sourcing through RFx events, or available contracts within SRM.

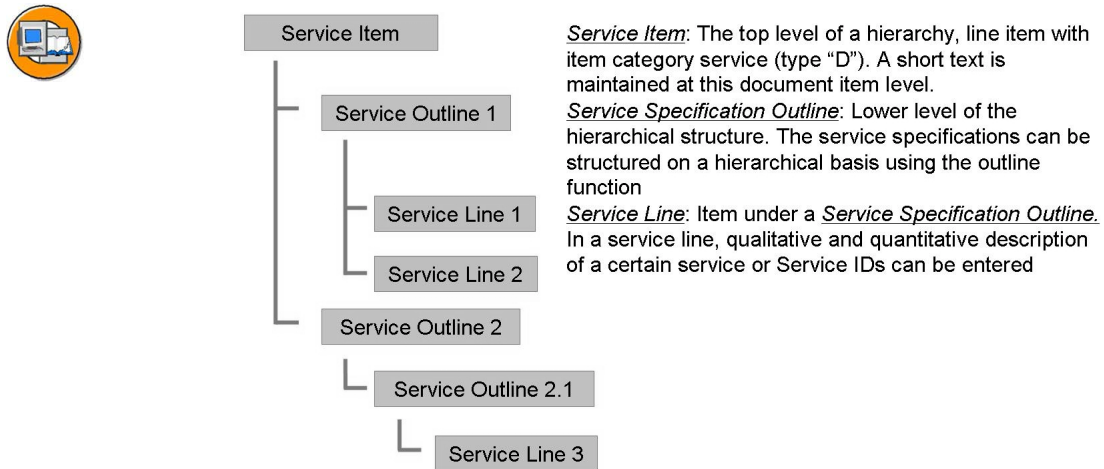
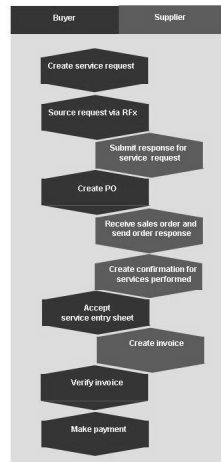


Figure 108: MM-SRV Hierarchical Structure

The system can also be configured to send the requirement straight to an SAP-SRM RFx. If an requirement is transferred into a Bid Invitation directly within SAP-SRM, then the requirement will not show in carry-out sourcing. The service Item, Outline, & Service Lines will show in one Bid Invitation.

This includes requirements driven from plant maintenance, Project Systems, Materials Requirement Planning, or manually created requirements.



- **External services management in SAP ERP offers functionalities for specifying services for external procurement. These requirements can be routed to SAP SRM for use of standard sourcing functionalities.**
- **Key features**
 - Service requirements driven by plant maintenance/project system
 - Description of services from model service specification
 - Limit specification for unplanned services
 - Automated transfer of service specification for SAP SRM sourcing

Figure 109: Service Procurement Classic

- ➔ **Note:** This enhanced interface between SAP ERP and SAP SRM leverages the enterprise service-oriented architecture (enterprise SOA) services to support transfer of hierarchical structures.
- ➔ **Note:** Prior to SRM 7.0, ECC 6.0 Ehp 4 only materials could be passed to SRM.
- ➔ **Note:** This scenario is only possible in the Classic scenario.

Upon creating an External Requirement (Purchase Requisition) in ECC you can enter “Limit Specifications for Unplanned Services” within the requirement, which are transferred to SAP-SRM. The following types of “Limits” are transferred to SAP-SRM:

- **Overall Limit:** Maximum value that the total of all unplanned services (or the value of the material) covered by this document item may not exceed. This is the price displayed on the PO Output.
- **Expected value:** Value that the unplanned services (or the material) covered by this item are not expected to exceed. The expected value is included in the net price of the item. In follow-on processes and documents, the expected value can be exceeded.
- **No Limit:** Specifies whether or not the service line is to be subject to a limit for unplanned services (or materials).

The Line Type indicator which is specified at the Service Lines level is passed to SRM. The following Line type indicators are in scope and will be passed to SRM and show in the UI within the sourcing cockpit at the service Line:

- Line Types (Standard Line, Blanket Line, & Contingency Line)
- Alternatives (No Alternatives, Basic Line, & Alternative Line)
- Line Categories (No Line Category)

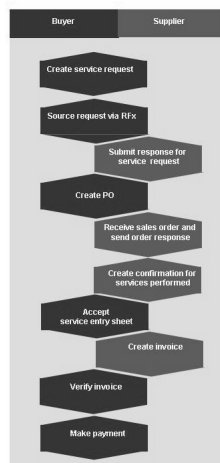
Transferring a requirement from ECC to SRM: Upon saving a Service Requirement (Service Purchase Requisition) in SAP-ECC it can be passed to SAP-SRM automatically or manually. The ECC BADI: ME_REQ_SOURCING_CUST drives whether the requirement is sent automatically, manually, or not sent at all.



Note: Note: BADI: ME_REQ_SOURCING_CUST is now required to transfer materials and service hierarchies from ECC to SRM and replaces the following configuration steps as of SRM 7.0, ECC 6.0 Ehp 4:

- Configuration - Maintain Profiles for External Procurement
- Configuration - Control External Procurement
- Report - BBP_EXTREQ_TRANSFER

An alternative of sending Purchase Requisition from ERP to SRM is the manual distribution of purchase requisitions using the 'CPPR' (Collective Processing of Purchase Requisitions) functionality available in SAP's standard role "Operational Buyer". (Available as of SRM 7.0, ECC 6.0 Ehp 4). To start the new application, choose the "Start Collective Processing" button which is available in the work list for Purchase Requisitions.



- **Purchase requisition with hierarchical service structures can be transferred to SAP SRM to use sourcing functionalities such as demand aggregation and sourcing through RFx event**
- **Key features**
 - Support for hierarchical definition of services
 - Response modification based on preceding requirement
 - Allowing modification of (addition to) original service structure
 - Back-end PO creation and fulfillment of initial purchase requisition based on SAP SRM quote, including modified items
 - Catalog integration

[illegible]

Figure 110: Service Procurement Classic Integration with SRM Sourcing

To send it to external sourcing (Carry Out Sourcing) within SRM: *Purchasing → Collective Processing of Purchase Requisition → Transfer to Central System*

To create RFx within SRM: *Purchasing → Collective Processing of Purchase Requisition → Create RFx*

Searching for and displaying a service hierarchical structure created from an External Requirement with SAP SRM's Carry out Sourcing: When passing an external requirement from ECC to SRM with a hierarchical structure for services the following three different elements are available to define that hierarchical structure of a Service item

- **Service Item** The top level of a hierarchy. Line item with item category services (Item Category D). A short text is maintained at this document item level.
- **Service Specification Outline** Lower level of a hierarchical structure. The service specifications can be structured on a hierarchical basis using the outline function.
- **Service Line** Item under a Service Specification Outline. In a service line, qualitative and quantitative description of certain service or Service Id's can be entered.

The hierarchical structure of outlines and line items provide the framework to enhance service procurement capabilities in SAP SRM. These service hierarchies are represented as tree structure in the sourcing cockpit.



Note: The following objects will support hierarchical structures as of SAP SRM 7.0 and ERP 6.0 EhP 4:

- External Requirements (Transfer of External Service Requirements from SAP ERP via shopping cart display)
- RFx in SRM
- RFx Response in SRM
- PO in SUS
- PO Response in SUS
- Confirmations in SUS

The following features / capabilities are now supported with in carry-out sourcing for services:

- Search for Source of Supply
- Processing External Requirements with Hierarchical Structures:
 - ECC PO is created
 - ECC Contract is created
 - A Bid Invitation is created



Representation of hierarchical structure of external requirement in Sourcing Cockpit

Shopping Cart Item Number	Description	Category	Priority	Quantity	Unit	Requestor	Delivery Date	Supplier Number	Supplier Name	Contract	Info Record	Ext
1	service	007	1	AU	XSRMUSER	From 10020000						
1.1	service item	007	10	DAY	XSRMUSER	From 10020000						
1.1.1	Construction Work	007	1	AU	XSRMUSER	From 10020000						
1.1.1.1	project manager	007	10	DAY	XSRMUSER	From 10020000						
1.1.1.1.1	Real work	007	1	AU	XSRMUSER	From 10020000						
1.1.1.1.1.1	base construction	007	100.0	HR	XSRMUSER	From 10020000						
1.1.1.1.1.1.1	repair	007	200.0	HR	XSRMUSER	From 10020000						
1.1.1.1.1.1.1.1	Building & Equipment	007	1	AU	XSRMUSER	From 10020000						
1.1.1.1.1.1.1.1.1	Build and install gate	007	500.0	HR	XSRMUSER	From 10020000						
1.1.1.1.1.1.1.1.1.1	run code	007	100.0	HR	XSRMUSER	From 10020000						
1.1.1.1.1.1.1.1.1.1.1	Install cables	007	50.0	HR	XSRMUSER	From 10020000						
1.1.1.1.1.1.1.1.1.1.1.1	Electrical installations	007	1	AU	XSRMUSER	From 10020000						

Figure 111: SRM External Services with Hierarchy

Searching for a source of supply within Carry Out Sourcing: The following apply while searching for a requirement within carry-out sourcing:

- All Search criteria applies to Service Items and Service Lines.
- If a External Requirement meets the search criteria all Service Specification Outlines and Service Lines below are displayed in the “Search Results”.
- Ability to hide or show outlines & expand or collapse service hierarchy structures
- Ability to see all levels of the hierarchy.
- For display in Sourcing Cockpit one can turn off indentation of the sub-levels in customizing and configure Item numbering within service hierarchies.
- As default for Purchase Requisitions from ERP Service Items including Service Specification Outlines and Services Lines has to be treated as “one single Item”.
- The Purchaser can manually combine multiple Items into one follow-on document.

To search for an External supply within Carry out Sourcing enter the Purchase Requisition number in the External Requirements field and choose Search. The result of the search is Shopping Cart within Sourcing.

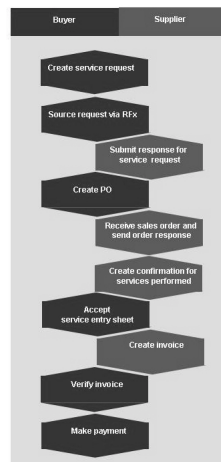
Processing External Requirements with Hierarchical Structures: The following criterion applies while processing requirements with Hierarchical Structures:

- Sourcing is carried out at Service Item level.
- “Edit selected Draft” is not possible if the External Requirement contains a hierarchical structure of line items.
- If the External Requirement contains a hierarchical structure of line items a classic PO or ECC Contract will be created.
- When proceeding to the step “Assign Sources of Supply” the entire structure is available. When a Supplier is entered at Service Item or Outline level this information shall be inherited to all levels below.
- The new “Replace with Catalog Items” feature is not possible for service structures.
- The creation of a follow-on document (PO, Contract, and RFx) is triggered in Sourcing Cockpit. The entire structure above and below the selection will be transferred to the follow-on document.
- Service Procurement in SRM 7.0 will only use backend contracts and supplier lists as source of supply. Local contracts in SRM are in scope of future releases.

Converting an External Requirement into PO's or Contracts: The following criteria apply while processing requirements with Hierarchical Structures into an ECC Purchase Order or ECC Contract:

- In SRM 7.0 for Service Procurement with hierarchical structures a classic PO in ERP or an ERP Contract will always be created. Creation of a PO or Contract can be triggered by one of the following:
 - From Sourcing Cockpit
 - From a Bid Invitation (An accepted RFx Response)
- PO's or Contracts will always be created in the connected ERP system with the same structure as the initial PR. If the structure has been modified in a RFx these changes have to be reflected in the PO or Contract.
- An external requirement including Limits has been transferred to SRM and sourced. A PO or Contract is then created either directly or from Sourcing cockpit. In this case the Limits maintained in the external requirement copy over to the ERP PO or Contract.
- PO's or Contracts created in ERP based on a Service structure in SRM will trigger the following to occur:
 - Take the top level of the hierarchical structure in SRM and convert it to a service item in the PO or contract in ERP.
 - Outlines below the top level of the hierarchical structure in SRM will create Service Specification Outlines in the PO or Contract in ERP.
 - Line Items within the hierarchical structure of a Shopping Cart or RFx in SRM will create Service Lines in the PO or Contract in ERP.
- An external requirement including Line type indicators (Line Types, Alternatives, Line Categories) have been specified and has been transferred to SRM and sourced. A PO is then created either directly or from Sourcing cockpit. In this case the Line types maintained in the external requirement copy over to the ERP PO or Contract.

Converting an External Requirement for Services into an RFx: After successfully searching for and displaying an External Requirement for Services within Carry Out Sourcing one has the option to convert the external requirement into an RFx in SRM. After the submission deadline the buyer awards the bid to a supplier. Upon awarding the bid the Bid Quotation will be converted into a ECC Service PO. This process and all related enhancements will be explained in detail with in Unit 3: SAP SRM Strategic Purchasing and Sourcing – Bidding Engine



■ **Supplier collaboration allows professional purchasers to collaborate with their suppliers on POs and follow-on documents containing services**

■ **Key features**

- Support for collaboration with the supplier on POs containing service item hierarchies
- Allowing suppliers to create confirmation for services performed
- Automatic creation of SAP ERP service entry sheet based on confirmation submitted by supplier
- Support for limits for unplanned services
- Catalog integration

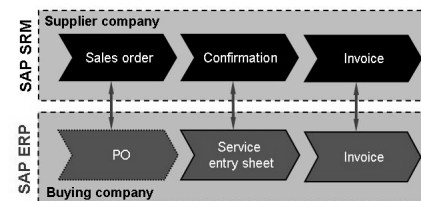


Figure 112: Service Procurement Classic with Supplier Collaboration

Supplier Collaboration SUS: As of SAP SRM 7.0 certain functions have been developed to enhance service procurement capabilities and one such function has been to extend the integration between Materials Management (ERP) and Supplier Self-Services (SUS). To achieve this goal the existing MM-SUS solution has been extended to support MM/SRV hierarchical structures including limits and the capability for the vendor to create and submit Service Entry Sheet. This process and all related enhancements will be explained in detail with in Unit 4: SAP SRM Supplier Collaboration.

Exercise 16: (Optional) Request for Temporary Labor

Exercise Objectives

After completing this exercise, you will be able to:

- Create a request for temporary labor
- Review and accept suppliers response to request

Business Example

Your office needs to be wired for the new computer network. You choose to hire a contractor to perform the work. You want to send the contractor a request that includes all of your requirements. You expect the contractor to respond to this request with a price and confirmation they can provide the services in the timeframe you require.

Task 1:

Create a request for external services.

1. Acting as an Professional Purchaser, create a request for external services for the following:

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

<i>Description of Tasks/Project</i>	Re-wire Office
<i>Category</i>	LOCAL4
<i>Number of Service Providers</i>	1
<i>Vendor</i>	McCoy-##
<i>Service Quantity</i>	20 HR (Hours)
<i>Required Between</i>	1 week from today - 2 weeks from today
<i>Bid Submission Deadline</i>	2 days from today

Continued on next page

Task 2: Supplier Response to Request

Acting as the supplier who has received a request to provide services, log onto SRM to review and accept the request. Submit a price of \$75 per hour for this service.

1. Acting as an Vendor review and accept the request for services sent to you from one of your customers.

Launch SRM and enter the following information:

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

Task 3: Accept Supplier Response

Accept the quote the supplier sent you in response to your request for services.

1. Acting as the Purchase who requested external services, review and accept the supplier's response.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Solution 16: (Optional) Request for Temporary Labor

Task 1:

Create a request for external services.

1. Acting as an Professional Purchaser, create a request for external services for the following:

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

<i>Description of Tasks/Project</i>	Re-wire Office
<i>Category</i>	LOCAL4
<i>Number of Service Providers</i>	1
<i>Vendor</i>	McCoy-##
<i>Service Quantity</i>	20 HR (Hours)
<i>Required Between</i>	1 week from today - 2 weeks from today
<i>Bid Submission Deadline</i>	2 days from today

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Select the 1st *Purchasing* → *Purchasing* → *Shopping Cart*
- c) Choose *Add Item* → *As Service Request*
- d) Enter the following information:

<i>Description of Tasks/Project</i>	Re-wire Office
<i>Product Category</i>	LOCAL4
<i>Number of Requested Service Agents</i>	1


Continued on next page

<i>Service Quantity</i>	20 HR (Hours)
<i>Required Between</i>	1 week from today - 2 weeks from today
<i>Bid Submission Deadline</i>	2 days from today

- e) Choose the *Supplier/Service Agents* tab
- f) Select *Remove Bidder* to remove all other Suppliers, except for *MCCOY-##*



Hint: The vendors are coming from a **Vendor List** created by the Purchasing department for the product category **LOCAL4**.

- g) Choose *OK*
 - h) Choose *Check* to verify there are no errors.
 - i) Change the name of the Shopping Cart to **TempLabor##**
 - j) Choose *Send Request*
-  **Note:** The request can be routed through an approval process or automatically approved.
- k) Choose *Close*
 - l) Scroll to the right and choose *Change Query*
 - m) If selected, uncheck the box next to *Bought on Behalf* and choose *Apply*
 - n) Select the shopping cart named *TempLabor##*
 - o) Expand the first line item to see the resulting RFx
 - p) Select the second line item and choose *Related Documents*
 - q) Choose *Close*
 - r) Choose *Log off*.

Task 2: Supplier Response to Request

Acting as the supplier who has received a request to provide services, log onto SRM to review and accept the request. Submit a price of \$75 per hour for this service.

1. Acting as an Vendor review and accept the request for services sent to you from one of your customers.

Launch SRM and enter the following information:

Continued on next page

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

- a) Launch SRM and enter the following information:

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

Choose *Logon*.

- b) Choose *RFx and Auctions*
- c) Select the Event Number with the description *TempLabor##*
- d) Choose *Register*
- e) Choose *Create Bid*
- f) Choose the *Items* tab and expand the first line item
- g) Enter **75** in the *Price* field.
- h) Choose *Check*
- i) Choose *Submit*
- j) Choose *Close*
- k) Choose *Log off*

Task 3: Accept Supplier Response

Accept the quote the supplier sent you in response to your request for services.

1. Acting as the Purchase who requested external services, review and accept the supplier's response.

Launch SRM and enter the following information:

Continued on next page

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*

- b) Select the 1st *Purchasing* → *Sourcing* → *RFx*
- c) Choose *Refresh* to update the RFx Query
- d) Select the RFx Number with the name *TempLabor##*
- e) Choose *Responses and Awards*
- f) Choose the *Response Comparison* tab
- g) Choose *Compare All Responses*
- h) Choose *Edit*
- i) Check the box under the *Action* column next to *Accept All*
- j) Choose *Award*

This will result in a Purchase Order

- k) Choose *Refresh*
- l) Choose *Back to Response Comparison Main View*
- m) Choose *Close*
- n) Choose *Purchasing* under *Detailed Navigation*
- o) Choose *Refresh* to update the Shopping Cart Query
- p) Select the shopping cart named *TempLabor##*
- q) Choose the *Related Document* tab to see all of the documents created in the process
- r) Write down the PO number. You will need this for the next exercise: _____
- s) Choose *Close*

Exercise 17: (Optional) Time entry for Temporary Labor

Exercise Objectives

After completing this exercise, you will be able to:

- Enter time for services rendered and then enter a subsequent invoice

Business Example

The contractor completed some initial work and invoiced you for it. You need to record the time of services and enter the invoice.

Task:

Enter time for services rendered and a subsequent invoice.

1. Acting as a Purchaser, enter the time completed by the contractor for the temporary labor. Confirm the contractor has completed a total of 20 hours of work during the week for the shopping cart named TempLabor##.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

2. Enter the Vendor's invoice INV88## for the services rendered.

Solution 17: (Optional) Time entry for Temporary Labor

Task:

Enter time for services rendered and a subsequent invoice.

1. Acting as a Purchaser, enter the time completed by the contractor for the temporary labor. Confirm the contractor has completed a total of 20 hours of work during the week for the shopping cart named TempLabor##.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- b) Choose the 1st *Purchasing* → *Purchasing* → *Confirmation* from the menu options
- c) Enter the Purchase Order Number from the previous exercise, or the Shopping Cart Name **TempLabor##**
- d) Choose *Search*
- e) Select your PO and choose *Start*
- f) Choose the *Items* tab
- g) Choose *Details*
- h) Choose the *Service Time Sheet* tab
- i) Choose *Generate Timesheet*
- j) Enter various times on each day so that the total is 20 hours
- k) Choose *Check*
- l) Choose *Confirm*
- m) Choose *Close*

Continued on next page

2. Enter the Vendor's invoice INV88## for the services rendered.
 - a) Choose *Invoice* under *Create Documents*
 - b) Select *Invoice* and choose *Start*
 - c) Enter the Purchase Order Number from the Shopping Cart named TempLabor## and choose *Add*



Hint: If you don't know the PO number choose the *Find* and search by the supplier MCCOY-##

- d) Select **Today's date** as the *Invoice Date*
- e) Enter **INV88##** in the *External Invoice Number* field.
- f) Choose *Calculate Total Amount* button.
- g) Choose *Post*
- h) Select the *Tracking* tab to see the related documents
- i) Choose *Close*

Exercise 18: Service Procurement with Service Hierarchies

Exercise Objectives

After completing this exercise, you will be able to:

- Create a Purchase Requisition in the ECC system with Service Hierarchies and transfer them to SRM for Sourcing
- Process an External Requirement within Sourcing in SRM
- Convert an External Requirement with Service Hierarchies into a PO in the ECC system

Business Example

You have a non-sourced requirement with Service Hierarchies driven out of your SAP Plant Maintenance module. Your goal is to automatically send this requirement to SRM for sourcing and ultimately an ECC PO created.

Task 1:

Create a Purchase Requisition in the ECC with a Service Hierarchy that will be transferred to SRM.

1. Create a Purchase Requisition with Service Hierarchies in the ECC system.

Logon to the ECC with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Use the following data to create a Purchase Requisition:

Account Assignment	K (Cost Center)
Item Category	D (Services)
Short Text	Service Hierarchy
Plant	3200
Purchasing Group	X00
MSS (Model Service Specification)	RKT_CONS
Cost Center	1000

Continued on next page

Task 2:

Assign a Source of Supply to the External Requirement for Services in SRM

1. Acting as a Purchaser, locate the External Requirement for Services in Sourcing and create a PO by manually assigning **MCCOY-##** as the Source of Supply.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Solution 18: Service Procurement with Service Hierarchies

Task 1:

Create a Purchase Requisition in the ECC with a Service Hierarchy that will be transferred to SRM.

1. Create a Purchase Requisition with Service Hierarchies in the ECC system.

Logon to the ECC with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Use the following data to create a Purchase Requisition:

Account Assignment	K (Cost Center)
Item Category	D (Services)
Short Text	Service Hierarchy
Plant	3200
Purchasing Group	X00
MSS (Model Service Specification)	RKT_CONS
Cost Center	1000

- a) Logon to the ECC with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor


- b) Execute transaction ME51N (Create Purchase Requisition)
- c) Enter the following information in the Item Overview:

Continued on next page

<i>Account Assignment</i>	K (Cost Center)
<i>Item Category</i>	D (Services)
<i>Short Text</i>	Service Hierarchy ##
<i>Plant</i>	3200
<i>Purchasing Group</i>	X00



Note: If you don't see these fields, you may need to open the Item Overview section of the Purchase Requisition

- d) Choose  (Full Scr: Services) on the *Services* tab in the item details.
- e) Choose the *Service Selection* icon at the top of the screen
- f) Enter **RKT_CONS** in the *MSS* field
- g) Choose the *Complete* button to adopt all items from the MSS
- h) Enter **1000** in the *Cost Center* field
- i) Choose the *Auto Repeat AA* button to use this cost center for all of the items.
- j) Choose the *Save* icon
You will receive a message indicating a Purchase Requisition was created. Write down this document number here: _____
- k) Choose the *Exit* icon
- l) Execute transaction **ME53N** to display your Purchase Requisition
- m) Choose the *External Source of Supply* tab in the Item Details section
The *Ext Sourcing Status* is *2 Sent to external sourcing accepted*. This indicates the Purchase Requisition was transferred to SRM.
- n) Choose *Exit* to leave the Purchase Requisition
- o) Do not log off of the ECC!

Task 2:

Assign a Source of Supply to the External Requirement for Services in SRM

1. Acting as a Purchaser, locate the External Requirement for Services in Sourcing and create a PO by manually assigning **MCCOY-##** as the Source of Supply.

Launch SRM and enter the following information:

Continued on next page

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- b) Choose the 1st tab *Purchasing* → *Sourcing* → *Carry Out Sourcing*
- c) Enter your **Purchase Requisition number** from the previous task in the *External Requirement* field and choose *Search*
- d) Highlight the *Shopping Cart / Item Number* and choose *Next*
- e) Enter **MCCOY-##** in the *Supplier Number* field and choose *Create Draft* → *Purchase Order*
- f) Choose *Process All Drafts*
- g) Choose **Yes** to confirm you want to create a Purchase Order and send it to the Supplier.
- h) Choose **Refresh** to see the resulting Purchase Order number
Note the resulting Purchase Order number: _____
- i) Choose *Close*
- j) Return to your ECC session and execute **ME53N** again to display the Purchase Requisition
- k) Choose the *Status* tab in the Item Details section and note the resulting Purchase Order.

Exercise 19: Procurement of External Services in Classic Scenario

Exercise Objectives

After completing this exercise, you will be able to:

- Use SRM to procure External Services in a classic scenario.

Business Example

You have decided to follow a classic scenario for certain product categories. You need to test ordering services in SRM for one of these product categories that will be used when ordering external services. You want to enter confirmations in SRM after the services have been performed.

Task: Order External Services

Create a shopping cart to order 10 hours of cleaning services from an approved supplier (ARAMI-##) at a rate of \$40 per hour. The product category of this shopping cart item should be **007 Services**. Make sure to set the product type indicator in the item details to **Services** before you order the cart.

1. Acting as an Operational Purchaser create a shopping cart for external services.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

2. Create a confirmation for the services in SRM.
3. Log onto the ECC and display the purchase order created in exercise step 1 using transaction ME23N. Also check the purchase order history to see the resulting service entry sheet created from the confirmation entered in exercise step 2.

Log onto the ECC via the SAPGui with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Solution 19: Procurement of External Services in Classic Scenario

Task: Order External Services

Create a shopping cart to order 10 hours of cleaning services from an approved supplier (ARAMI-##) at a rate of \$40 per hour. The product category of this shopping cart item should be **007 Services**. Make sure to set the product type indicator in the item details to **Services** before you order the cart.

1. Acting as an Operational Purchaser create a shopping cart for external services.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose the 1st *Purchasing* → *Purchasing* → *Shopping Cart* from the menu options
- c) Enter **Cleaning for Dept##** in the *Description* field
- d) Enter **007** as the *Product Category*



Hint: Product Category is 007 Services

- e) Enter **10** in the *Quantity* field
- f) Enter **HR** in the *Unit* field
- g) Enter **40** in the *Net Price/Limit* field
- h) Select **one week from today** in the *Delivery Date* field
- i) Choose *Enter* on your keyboard to refresh the data
- j) Choose *Details*
- k) Choose the *Sources of Supply/Service Agents* tab

Continued on next page

- l) Select supplier **ARAMI - ##** from the list of approved vendors and choose *Assign Supplier*



Hint: The list of approved vendors is coming from a Vendor List for product category 007 (Services.)

- m) Enter **Classic Services##** as the *Name of Shopping Cart*
- n) Choose *Order*
- o) Choose *Close*
- p) Choose *Refresh* to update the Shopping Cart Query
- q) Select the Shopping Cart named *Classic Services##*
- r) Choose the *Related Documents* tab in the *Item Details* section and note the resulting follow-on document.

There should be a purchase order as the follow-on document. This PO was created in the ERP system.



Hint: There is a report running in SRM every two minutes that updates the shopping carts when follow-on documents are created on the backend ECC system. If you don't see a PO number right away, wait a minute and then choose the *Refresh* button to update the data.

- s) Choose the *Details* icon for the item in the cart
- t) Scroll down and make note of the purchase order created in the ECC



Hint: Write down the purchase order number as you will need it for the next steps. _____

- u) Choose *Close*

Continued on next page

2. Create a confirmation for the services in SRM.
 - a) Highlight the Shopping Cart named *Classic Services##* from the Shopping Cart Query



Hint: Only highlight the cart, do not click on the number

- b) Choose *Create Confirmation*
 - c) Enter **10** in the *Confirm Quantity* field
 - d) Choose *Confirm*
 - e) Choose *Close*

This confirmation will result in a Service Entry Sheet in the ECC system.

3. Log onto the ECC and display the purchase order created in exercise step 1 using transaction ME23N. Also check the purchase order history to see the resulting service entry sheet created from the confirmation entered in exercise step 2.

Log onto the ECC via the SAPGui with the following information:

Continued on next page

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

- a) Log onto the ECC via the SAPGui with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Choose *Enter*.

- b) Enter transaction **/NME23N** in the command field and choose
- c) Choose *Purchase Order* → *Other Purchase Order* from the menu path at the top of the screen
- d) Enter the purchase order you noted in exercise step 1
- e) Make note of the *Item Category* in the *Item Overview* section of the purchase order



Hint: The item category D indicates the item is for Services

- f) Note the service item on the *Services* tab in the *Item Details*
- g) Select the *Purchase order history* tab in the *Item details* section of the purchase order
- h) Drill down on the *Service Entry* document to see the service entry sheet created by the confirmation you entered in SRM.

Exercise 20: Procurement of External Services in Classic Scenario

Exercise Objectives

After completing this exercise, you will be able to:

- Use SRM to procure External Services in a classic scenario.

Business Example

You have decided to follow a classic scenario for certain product categories. You need to test ordering services in SRM for one of these product categories that will be used when ordering external services. You want to enter confirmations in SRM after the services have been performed.

Task: Order External Services

Create a shopping cart to order 10 hours of cleaning services from an approved supplier (ARAMI-##) at a rate of \$40 per hour. The product category of this shopping cart item should be **007 Services**. Make sure to set the product type indicator in the item details to **Services** before you order the cart.

1. Acting as an Operational Purchaser create a shopping cart for external services.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

2. Create a confirmation for the services in SRM.
3. Log onto the ECC and display the purchase order created in exercise step 1 using transaction ME23N. Also check the purchase order history to see the resulting service entry sheet created from the confirmation entered in exercise step 2.

Log onto the ECC via the SAPGui with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Solution 20: Procurement of External Services in Classic Scenario

Task: Order External Services

Create a shopping cart to order 10 hours of cleaning services from an approved supplier (ARAMI-##) at a rate of \$40 per hour. The product category of this shopping cart item should be **007 Services**. Make sure to set the product type indicator in the item details to **Services** before you order the cart.

1. Acting as an Operational Purchaser create a shopping cart for external services.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose the 1st *Purchasing* → *Purchasing* → *Shopping Cart* from the menu options
- c) Enter **Cleaning for Dept##** in the *Description* field
- d) Enter **007** as the *Product Category*



Hint: Product Category is 007 Services

- e) Enter **10** in the *Quantity* field
- f) Enter **HR** in the *Unit* field
- g) Enter **40** in the *Net Price/Limit* field
- h) Select **one week from today** in the *Delivery Date* field
- i) Choose *Enter* on your keyboard to refresh the data
- j) Choose *Details*
- k) Choose the *Sources of Supply/Service Agents* tab

Continued on next page

- l) Select supplier **ARAMI - ##** from the list of approved vendors and choose *Assign Supplier*



Hint: The list of approved vendors is coming from a Vendor List for product category 007 (Services.)

- m) Enter **Classic Services##** as the *Name of Shopping Cart*
- n) Choose *Order*
- o) Choose *Close*
- p) Choose *Refresh* to update the Shopping Cart Query
- q) Select the Shopping Cart named *Classic Services##*
- r) Choose the *Related Documents* tab in the *Item Details* section and note the resulting follow-on document.

There should be a purchase order as the follow-on document. This PO was created in the ERP system.



Hint: There is a report running in SRM every two minutes that updates the shopping carts when follow-on documents are created on the backend ECC system. If you don't see a PO number right away, wait a minute and then choose the *Refresh* button to update the data.

- s) Choose the *Details* icon for the item in the cart
- t) Scroll down and make note of the purchase order created in the ECC



Hint: Write down the purchase order number as you will need it for the next steps. _____

- u) Choose *Close*

Continued on next page

2. Create a confirmation for the services in SRM.
 - a) Highlight the Shopping Cart named *Classic Services##* from the Shopping Cart Query



Hint: Only highlight the cart, do not click on the number

- b) Choose *Create Confirmation*
 - c) Enter **10** in the *Confirm Quantity* field
 - d) Choose *Confirm*
 - e) Choose *Close*

This confirmation will result in a Service Entry Sheet in the ECC system.

3. Log onto the ECC and display the purchase order created in exercise step 1 using transaction ME23N. Also check the purchase order history to see the resulting service entry sheet created from the confirmation entered in exercise step 2.

Log onto the ECC via the SAPGui with the following information:

Continued on next page

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

- a) Log onto the ECC via the SAPGui with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Choose *Enter*.

- b) Enter transaction **/NME23N** in the command field and choose
- c) Choose *Purchase Order* → *Other Purchase Order* from the menu path at the top of the screen
- d) Enter the purchase order you noted in exercise step 1
- e) Make note of the *Item Category* in the *Item Overview* section of the purchase order



Hint: The item category D indicates the item is for Services

- f) Note the service item on the *Services* tab in the *Item Details*
- g) Select the *Purchase order history* tab in the *Item details* section of the purchase order
- h) Drill down on the *Service Entry* document to see the service entry sheet created by the confirmation you entered in SRM.



Lesson Summary

You should now be able to:

- Describe the process for ordering temporary labor within SAP SRM
- Explain the roles in SAP SRM that can order temporary labor
- Detail the options for entering confirmations for services in regards to temporary labor
- Describe the process in detail for transferring of external service items with hierarchies between ERP and SRM.
- Explain other new and enhanced features in Service Procurement as of SRM 7.0, ECC 6.0 Ehp 4.

Lesson: Operational Purchasing

Lesson Overview

This lesson provides an overview of the activities an Operational Purchaser would perform to process and create Local Purchase Orders in Supplier Relationship Management.



Lesson Objectives

After completing this lesson, you will be able to:

- Process Local Purchase Orders in Supplier Relationship Management
- Create Local Purchase Orders without reference to a Shopping Cart.

Business Example

You have are implementing a scenario that will involve the creation of Local Purchase Orders in Supplier Relationship Management. Your Buyers need to test the functionality available to process these documents.

Operational Purchasing: Overview

You can use this business scenario to process the requirements that have been created and released for procurement (for example, demands for spare parts coming from plant maintenance, demands for raw materials determined in a planning run, or requests for office supplies entered by an employee.) Requirements are transferred to the purchasing department as purchase requisitions. They are presented to the purchaser in work lists that support him in converting the requisitions into contracts or purchase orders. The purchaser can check the source of supply and the price and conditions that have been assigned to a requisition and start a request for quotation or bidding process if necessary.

Processing Local Purchase Orders

Implementing the Standalone and or Extended Classic scenarios will result in Purchase Orders being created in Supplier Relationship Management. Local Purchase Orders must be processed in Supplier Relationship Management and cannot be processed in the backend ERP system. Although Local Purchase Orders created in the Extended Classic scenario are replicated to the backend ERP system, they can only be changed in Supplier Relationship Management. The functions for processing Local Purchase Orders in Supplier Relationship Management is very different from processing Purchase Orders in the R/3 ERP system.

Shopping cart items can result in Local Purchase Orders that are complete or incomplete. Typically items that are ordered from a catalog will result in complete Local Purchase Orders because they contain all of the data needed such as vendor

and price. However items ordered by describing the requirement can often lead to incomplete Local Purchase Orders. It is also possible for Local Purchase Orders to be created via the Plan-Driven Procurement scenario. Depending on a number of factors such as configuration and sources of supply, these Plan-Driven Purchase Orders may be complete or incomplete.



Hint: Purchasers can also manually create purchase orders in SRM. These purchase orders follow either the Local or Extended Classic Scenarios

If Sourcing is active for a given product category, the system would not create Local Purchase Orders, but instead would create a Requirement. Requirements are processed in the Sourcing Cockpit.



Figure 113: Assign Source of Supply

Every shopping cart item is assigned a responsible Purchasing Group based on settings on the Purchasing Groups in the Organization Plan. This assignment controls which Operational Purchaser the orders will be routed to. The Purchaser has a Worklist of incomplete Local Purchase Orders they need to process. Incomplete Local Purchase Orders are in the Held status until they are processed by the Purchaser.



Display Purchase Order: 1000000021

Purchase Order Number: 1000000021 Purchase Order Type: Purchase Order Status: Ordered Document Date: 06.04.2009 Total Value (Gross): 51,00 USD

Buttons: Edit, Close, Print Preview, Refresh, **Check**, Copy, Export

Tabs: Overview, Header, Items, Notes and Attachments, Approval, Tracking

General Header Data

Purchase Order Number: 1000000021
 Purchase Order Name: contract18b
 Supplier: MCCOV-18 McCov-18
 Requester: 954 SRM BUYER-18
 Recipient: 954 SRM BUYER-18
 Location:
 Ship-To Address:
 Purch. Organization: * PH1 Purchasing Department LOCAL
 Purchasing Group: * PH1 PORP LOCAL Show Members
 Total Value (Net): 51,00 USD

Note to Supplier:
 Internal Note:

Item Overview

Line Number	Deleted	Item Type	Item Number	Product ID	Description	Product Category	Quantity	Unit	Gross Price	Currency	Per	Net Price	Condition	Delivery Date
1		Material	1	T-E118	ENVELOPES	LOCAL1	3	EA	17,00	USD	1	17,00		06.04.2009

Figure 114: Check Purchase Order

There is a check function for Local Purchase Orders that are held, or incomplete, that provides messages indicating what data is missing from the Order. For example, a requestor creates a shopping cart item by describing the requirement, entering an estimated price, but no source of supply was determined. This item could result in a Local Purchase Order that is incomplete, assuming the system is not configured to create Requirements for this product category.

SRM has version management for purchasing documents that enables you to display versions of purchase orders. The system automatically creates a version of the purchase order whenever the Purchaser carries out one of these actions:

- You change a posted purchase order
- You order a posted purchase order again

With a Business Add-In, you can define conditions that vary from the standard for when the system is to create a version. In contrast to the change documents that retain a change history, a version displays the status of a document at a specific point in time. Version management provides a check for you as a purchaser, for example, if you wish to display a purchase order in the form in which you transferred it to the vendor on day X.



Note: The approval scenarios for Purchase Orders will vary depending on which Workflow Framework you are using and your business process.



Processing Local Purchase Orders

1. Log onto Supplier Relationship Management with a user that has the Operational Purchaser role.
2. *Purchasing* → *Purchasing Documents* → *Purchase Orders* → *All SRM* This will present a list of Local Purchase Orders, according to specified selection criteria.
3. Select the *Purchase Order* to be processed.
4. Select the *Check* button to determine what data is missing on the Purchase Order.

A message at the top of the screen will appear indicating what data needs to be completed.
5. Complete the missing data on the Purchase Order.
6. Choose the *Order* button to save the changes and release the purchase order, or choose the *Save* button to save the changes.

Example

1. If the message indicates **Enter exactly one partner of type Vendor** you must assign a vendor to the Purchase Order.
2. Choose the *Search* icon next to the *Vendor* field to locate and assign a vendor.
3. Select the *Check* button again and the error message should now be gone.
4. Choose the *Order* button to save the changes and release the purchase order.

Exercise 21: Processing Purchase Orders

Exercise Objectives

After completing this exercise, you will be able to:

- Utilize the SRM Purchase Order Processing function to assign a vendor to an incomplete purchase order
- Process Purchase Orders as Operational Buyer.

Business Example

As an Operational Buyer, you need to monitor Purchase Orders for completeness. If any are held, you must complete them by assigning the vendors and/or prices.

Task:

Display and complete a held purchase order.

1. As an operation buyer, you need to monitor and complete any open or held purchase orders. Assign the Vendor ARAMI-## to a purchase order in the held status (related to the shopping cart named Standalone##).

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Data to complete purchase order:

<i>Vendor</i>	ARAMI - ##
---------------	------------

2. As the employee who ordered the item, check the follow-on documents for your shopping cart named Standalone##.

Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Solution 21: Processing Purchase Orders

Task:

Display and complete a held purchase order.

1. As an operation buyer, you need to monitor and complete any open or held purchase orders. Assign the Vendor ARAMI-## to a purchase order in the held status (related to the shopping cart named Standalone##).

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Continued on next page

Data to complete purchase order:

<i>Vendor</i>	ARAMI - ##
---------------	-------------------

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- b) Choose the 1st *Purchasing* → *Purchasing*
 - c) Choose the *Query Purchase Orders All*
 - d) Choose *Refresh* to update the Query
 - e) Select Purchase Order with the name *Standalone##* by clicking on the PO number.
 - f) Choose *Edit*
 - g) Choose *Check* to see why the purchase order is incomplete
The message indicated you need to assign a Vendor.
 - h) Enter **ARAMI - ##** in the *Supplier* field
 - i) Choose *Check* again
The message indicated the Purchase Order is correct
 - j) Choose the *Tracking* tab to see the related Shopping Cart
 - k) Choose *Order*
 - l) Choose *Close*
 - m) Log off
2. As the employee who ordered the item, check the follow-on documents for your shopping cart named *Standalone##*.

Launch SRM and enter the following information:

Continued on next page

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Services*.
- c) Choose *Refresh* to update the Shopping Cart Query
- d) Select the Shopping Cart named *Standalone##*.
- e) Choose the *Related Documents* tab to see the updated status of the Purchase Order

The Purchase Order is now Ordered

- f) Choose *Close*



Lesson Summary

You should now be able to:

- Process Local Purchase Orders in Supplier Relationship Management
- Create Local Purchase Orders without reference to a Shopping Cart.



Unit Summary

You should now be able to:

- Explain business partners
- Explain the use of product masters
- Describe role of product categories
- Explain the role of the Organization Plan in SRM
- Describe the component of the SRM-MDM catalog
- Understand the process flow of the SRM-MDM catalog.
- Explain the features of the SRM-MDM user interface
- Explain the process of the SAP Catalog Authoring Tool
- Explain the features of the SAP Catalog Search Engine
- Describe the different ways to create a shopping cart in SAP Supplier Relationship Management
- Explain the purpose and value proposition for using catalogs in SAP Supplier Relationship Management
- Describe the approval workflows for shopping carts
- Outline the different scenarios for confirmations in SAP SRM
- Define the roles and their functions for processing confirmations
- Outline the different scenarios for invoices in SAP SRM
- Define roles and their functions for processing invoices
- Describe the Plan Driven Procurement process within SRM
- Explain the manual direct procurement process flow in SRM
- Explain the sourcing integration with direct procurement
- Describe the process for ordering temporary labor within SAP SRM
- Explain the roles in SAP SRM that can order temporary labor
- Detail the options for entering confirmations for services in regards to temporary labor
- Describe the process in detail for transferring of external service items with hierarchies between ERP and SRM.
- Explain other new and enhanced features in Service Procurement as of SRM 7.0, ECC 6.0 EhP 4.
- Process Local Purchase Orders in Supplier Relationship Management
- Create Local Purchase Orders without reference to a Shopping Cart.



Test Your Knowledge

1. A business partner master is created in SAP SRM for which entities?
Choose the correct answer(s).
 - ☐ A New employee
 - ☐ B Material master
 - ☐ C Department
 - ☐ D Vendor
 - ☐ E Board of directors

2. A product master in the SRM system can represent:
Choose the correct answer(s).
 - ☐ A Both material masters and service masters
 - ☐ B Only material masters
 - ☐ C Only service masters
 - ☐ D Vendors

3. What does a product category do in the SRM system?
Choose the correct answer(s).
 - ☐ A Groups materials and services
 - ☐ B Determines if a purchasing document will be created in the backend system or the local SRM system
 - ☐ C Only used in business partners
 - ☐ D Can only be used if a product master is used in the shopping cart

4. Requestors must manually enter data such as plant and company code when creating a shopping cart.
Determine whether this statement is true or false.
 - ☐ True
 - ☐ False

5. You can schedule imports with the SRM-MDM Import Manager.
Determine whether this statement is true or false.
 - ☐ True
 - ☐ False

6. You can define workflows in which SRM-MDM components?

Choose the correct answer(s).

- ☐ A MDM Console
- ☐ B MDM Change Manager
- ☐ C MDM Import Server
- ☐ D MDM Data Manager

7. End users cannot preview their catalog selections before returning the data to SAP SRM.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

8. In the future, you will be able to use either the SAP CCM catalog or the SAP SRM-MDM catalog with SRM 7.0.

9. There is only one navigational shopping cart screen that can be used for casual, frequent, and purchaser users.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

10. The cross-catalog search allows users to

Fill in the blanks to complete the sentence.

11. Catalogs are the only way to fill a shopping cart.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

12. Name the four catalog scenarios: _____,
_____, _____, and _____.
Fill in the blanks to complete the sentence.
13. All shopping cart items must be approved by a manager.
Determine whether this statement is true or false.
- ☐ True
☐ False
14. Name the standard workflows available to creation of shopping carts.
Choose the correct answer(s).
- ☐ A Vendor approval
☐ B No approval
☐ C One-step
☐ D Two-step
15. When comparing *Confirmation*, *Held*, *Return Delivery*, and *Delete* transactions, _____ and _____ do not allow the user to modify the quantity.
Fill in the blanks to complete the sentence.
16. *Return Delivery* transactions can be recorded in Supplier Relationship Management for both back-end purchase orders and local purchase orders.
Determine whether this statement is true or false.
- ☐ True
☐ False
17. This role can record confirmations for request made other employee
Choose the correct answer(s).
- ☐ A Employee
☐ B Vendor
☐ C Central recipient
☐ D None of the above
18. The workflow approval process for a confirmation begins when the transaction is _____.
Fill in the blanks to complete the sentence.

19. A confirmation transaction must be sent to some person in the organization for approval before it can be posted.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

20. After an invoice for a local purchase order is saved and approved in Supplier Relationship Management, what occurs (there may be more than one answer)?

Choose the correct answer(s).

- ☐ A Accounting information is sent to the back-end system
- ☐ B Invoice document is sent to back-end system
- ☐ C Open quantities on the purchase order are reduced
- ☐ D None of the above

21. After a invoice for a backend purchase order is saved and approved in Supplier Relationship Management, what occurs (there may be more than one answer)?

Choose the correct answer(s).

- ☐ A Accounting information is sent to the back-end system
- ☐ B Invoice document is sent to the back-end system
- ☐ C Open quantities on the purchase order are reduced
- ☐ D None of the above

22. Credit memos can be created in Supplier Relationship Management.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

23. A person in the role of _____ creates invoices for purchase orders created by other employees. A person in the role of _____ can create invoices for the purchases orders he or she created. A person who works for the supplier can create invoices if he or she has the role of _____.

Fill in the blanks to complete the sentence.

24. Both the with approval workflow and without approval workflow for invoices can be turned off at the same time.
Determine whether this statement is true or false.
- ☐ True
 - ☐ False
25. Purchase orders created in the Extended Classic scenario can be maintained in the ERP system.
Determine whether this statement is true or false.
- ☐ True
 - ☐ False
26. Under what circumstances can Supplier Relationship Management create change versions for local purchase orders?
Choose the correct answer(s).
- ☐ A When the purchaser executes the check function
 - ☐ B After the purchase order has been approved
 - ☐ C You change a posted purchase order
 - ☐ D You order a posted purchase order again



Answers

1. A business partner master is created in SAP SRM for which entities?

Answer: A, C, D, E

Business partners are created for organizations, individuals, and groups of individuals.

2. A product master in the SRM system can represent:

Answer: A

Both material and service masters can be replicated from an SAP ECC backend system to the SAP SRM system. The term "product" means both a good and a service in SAP SRM.

3. What does a product category do in the SRM system?

Answer: A, B

Product categories are replicated from SAP ECC or are manually created in the SRM system.

4. Requestors must manually enter data such as plant and company code when creating a shopping cart.

Answer: False

Attributes are predefined values maintained in the organization plan. Requestor's inherit the attributes that have been maintained for their organization unit. Attributes are utilized when a requestor creates a shopping cart so the system has all of the data needed to create follow-on documents such as purchase orders.

5. You can schedule imports with the SRM-MDM Import Manager.

Answer: False

You can schedule imports with the SRM-MDM Import Server.

6. You can define workflows in which SRM-MDM components?

Answer: D

Workflows are defined in the MDM Data Manager, in conjunction with the MS Visio.

7. End users cannot preview their catalog selections before returning the data to SAP SRM.

Answer: False

Using the Shopping Cart Preview feature of the UI, users can preview their catalog selections before returning the data to SRM.

8. In the future, you will be able to use either the SAP CCM catalog or the SAP SRM-MDM catalog with SRM 7.0.

Answer: You will only be able to use the SRM-MDM catalog with SRM 7.0.

9. There is only one navigational shopping cart screen that can be used for casual, frequent, and purchaser users.

Answer: False

There are two navigational interfaces. Wizard is designed for casual users. Purchaser is assigned to buyers.

10. The cross-catalog search allows users to search multiple catalogs through a single search.

Answer: search multiple catalogs through a single search

11. Catalogs are the only way to fill a shopping cart.

Answer: False

Catalogs are a valuable option, but are not required. Users have the ability to enter product numbers or type a free-text description of their request.

12. Name the four catalog scenarios: external supplier catalog, internal catalog, content broker or marketplace, and catalog hosted by company.

Answer: external supplier catalog, internal catalog, content broker or marketplace, catalog hosted by company

13. All shopping cart items must be approved by a manager.

Answer: False

Workflow conditions, such as the value of the request, will determine when a request must be approved by another user. Workflow conditions are maintained in the Supplier Relationship Management system's IMG.

14. Name the standard workflows available to creation of shopping carts.

Answer: B, C, D

The three standard Application-controlled shopping cart workflows are no approval, one-step, and two-step. They are activated based on how the workflow conditions are maintained in SAP Supplier Relationship Management. For example, all requests less than \$500 do not need an approver (no approval) and all requests that equal or exceed \$500 will need to be approved by a single manager (one-step).

15. When comparing *Confirmation*, *Held*, *Return Delivery*, and *Delete* transactions, Return Delivery and Delete do not allow the user to modify the quantity.

Answer: Return Delivery, Delete

16. *Return Delivery* transactions can be recorded in Supplier Relationship Management for both back-end purchase orders and local purchase orders.

Answer: True

The return delivery always refers to the entire confirmation. Partial returned quantities is not possible in Supplier Relationship Management.

17. This role can record confirmations for request made other employee

Answer: C

Roles are assigned to each SAP Supplier Relationship Management user. Users with the employee role confirm the goods or services that they ordered. Users with the vendor role confirm the goods or services that they supplied. Users with the central recipient role confirm the goods or services that other people requested.

18. The workflow approval process for a confirmation begins when the transaction is posted.

Answer: posted

19. A confirmation transaction must be sent to some person in the organization for approval before it can be posted.

Answer: False

Workflow rules are activated and configured in the Supplier Relationship Management system. You can configure workflow so that some confirmations do not require an approver and other confirmations require an approver or approvers.

20. After an invoice for a local purchase order is saved and approved in Supplier Relationship Management, what occurs (there may be more than one answer)?

Answer: A, C

The local invoice document must be created in the local Supplier Relationship Management system. The invoice document remains in Supplier Relationship Management.

21. After a invoice for a backend purchase order is saved and approved in Supplier Relationship Management, what occurs (there may be more than one answer)?

Answer: A, B, C

The invoice document referencing a backend purchase order can be created in either Supplier Relationship Management or the backend system.

22. Credit memos can be created in Supplier Relationship Management.

Answer: True

Credit memos can be created referencing purchase orders or without referencing purchase orders.

23. A person in the role of accountant creates invoices for purchase orders created by other employees. A person in the role of purchaser can create invoices for the purchases orders he or she created. A person who works for the supplier can create invoices if he or she has the role of vendor.

Answer: accountant, purchaser, vendor

24. Both the with approval workflow and without approval workflow for invoices can be turned off at the same time.

Answer: False

One of the two workflows must be activated. You can have both workflows operating at the same time, but conditions to trigger each workflow must be different. For example, the without approval workflow could be for invoices less than \$1,000 and the approval workflow will be triggered with amounts equal or greater than \$1,000.

25. Purchase orders created in the Extended Classic scenario can be maintained in the ERP system.

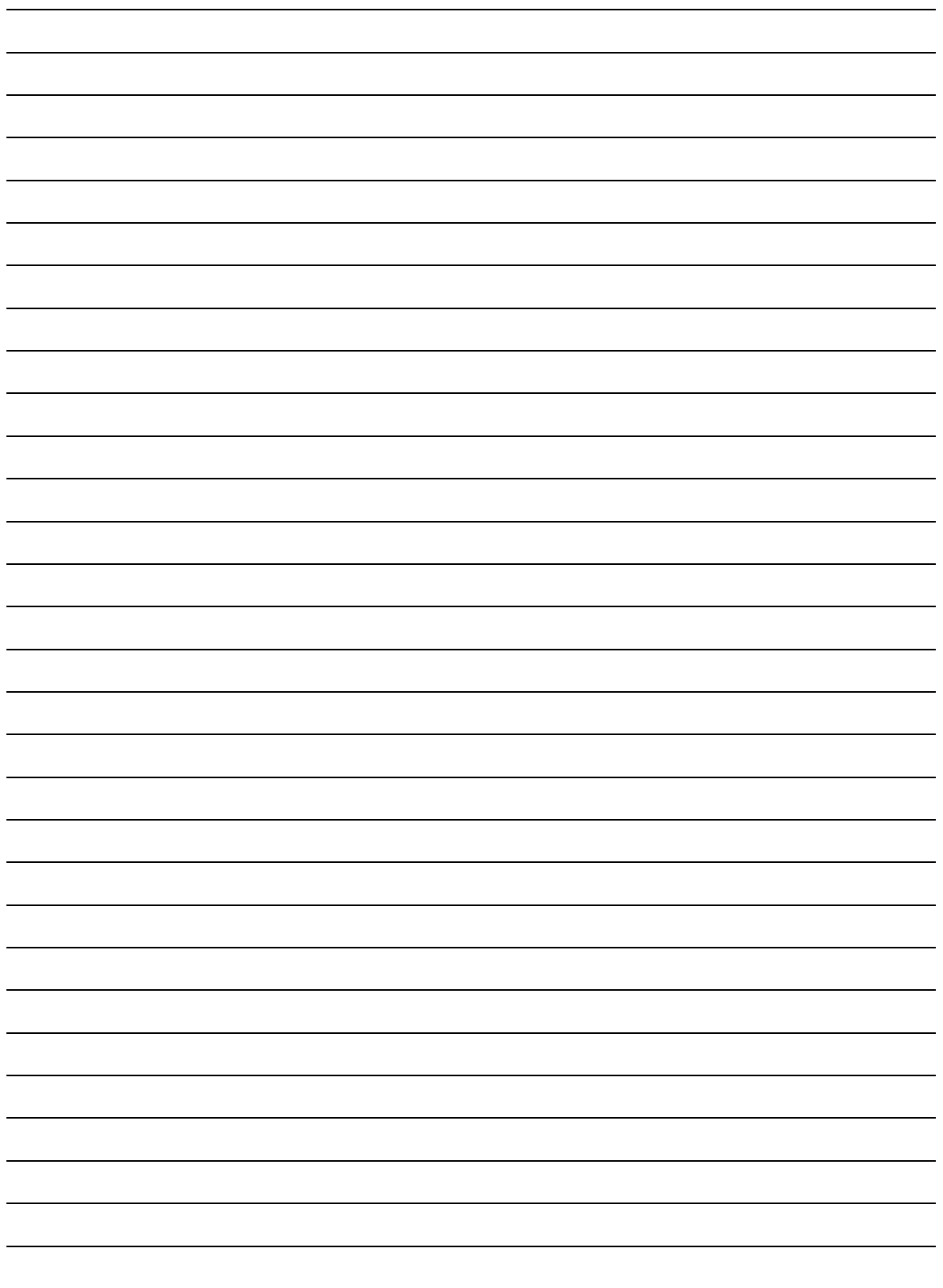
Answer: False

Purchase orders created in the Extended Classic scenario can only be maintained in Supplier Relationship Management. Although Extended Classic purchase orders are replicated to the ERP system, then can only be displayed there. Any changes to the purchase order must be made in SRM and will then be replicated to the ERP system.

26. Under what circumstances can Supplier Relationship Management create change versions for local purchase orders?

Answer: C, D

Versions of local purchase orders can be created in Supplier Relationship Management. Version management provides a check for you as a purchaser, for example, if you wish to display a purchase order in the form in which you transferred it to the vendor on day X.





Unit 3

SAP SRM Strategic Purchasing and Sourcing

Unit Overview

This unit will provide you an overview of the strategic sourcing capabilities of SRM. You will process contracts, requirements, bid invitations and live auctions.



Unit Objectives

After completing this unit, you will be able to:

- Explain the sourcing scenarios within SAP SRM
- Detail the integration of Sourcing Application with the Bidding Engine and Contract Management.
- Explain the possible sources of supply in SRM.
- Process Purchasing Central Contracts in SRM
- Describe the process flow of Central Contracts
- Explain the integration of Central Contract Management with other SRM components
- Create bid invitations and bids using the bidding engine for materials and services.
- Explain the process of Live auctions
- Describe the integration of the bidding engine

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Lesson: Sourcing Application

Lesson Overview

This lesson reviews the Sourcing Application within SRM, which is the main entry point for the purchaser to identify sources of supply.



Lesson Objectives

After completing this lesson, you will be able to:

- Explain the sourcing scenarios within SAP SRM
- Detail the integration of Sourcing Application with the Bidding Engine and Contract Management.
- Explain the possible sources of supply in SRM.

Business Example

Your buyers must process requirements for materials and services that do not have an assigned source of supply. You must ensure that the sourcing capabilities within SAP SRM enable you to efficiently handle these items.

SAP SRM Sourcing Scenarios

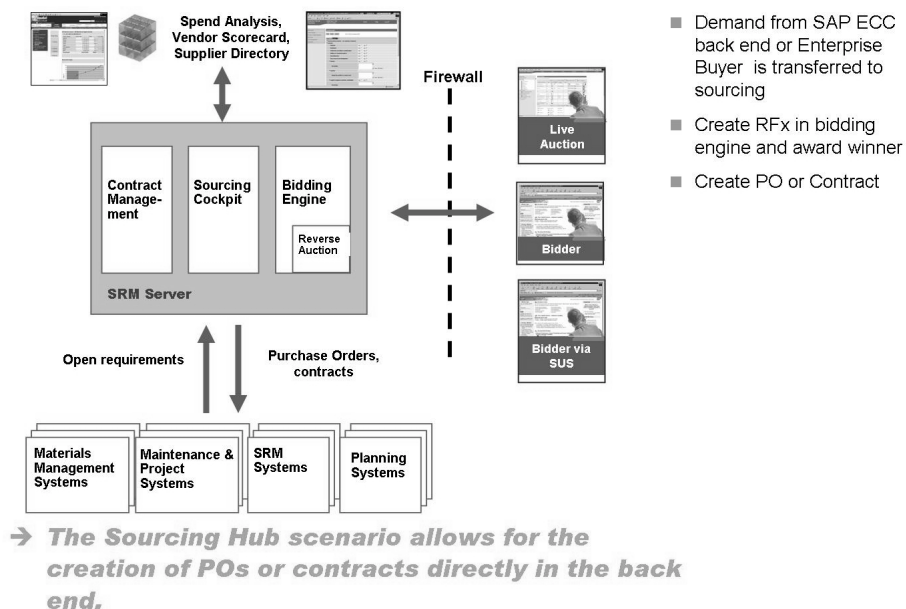


Figure 115: Sourcing Hub Scenario

Central Sourcing Hub: A central concept in SRM where open requirements from local and/or backend systems are assigned sources of supply either in the Sourcing Application or via SAP Bidding Engine. The resulting document (purchase order or contract) resides either in the local or backend system, depending on the scenario being used (classic, extended classic, or standalone).

Another way to use the Central Sourcing hub scenario is to transfer requirements from multiple ERP systems and SRM to one sourcing Application. Requirements can then be organized, grouped and processed, with the resulting PO created in the system where the requirement originated. In this Central Sourcing Hub scenario, there is the option for demand aggregation, and the different demands for the same requirement could be grouped into one PO, contract, bid invitation, or auction.

Classic Integration Scenario

The classic scenario is the process of creating a purchase requisition in the backend system, transferring this requisition to the SRM Sourcing Application, and assigning a source of supply. You can do this either in the sourcing Application or in the bidding engine. As a result of one or both activities, a purchase order is created in the backend system. The sourcing process for a backend PO is as follows:

1. Create a purchase requisition in the backend system from MRP, Project Systems or Plant Maintenance.
2. Purchase requisitions are transferred from the backend system to the sourcing Application in SRM, resulting in Requirements.
3. Assign a source of supply to the Requirement, or convert it to a Bid Invitation or Live Auction. In either case, an accepted Bid becomes the assigned source of supply.
4. The completed Requirement results in a purchase order in the appropriate backend system.

Extended Classic Integration Scenario

The important distinction between the classic scenario and the extended classic scenario is that in the latter situation, PO creation occurs in SRM and is then replicated in the backend system. All of the following steps, starting with goods receipt and invoice, take place in the back end.

1. Assign a source of supply to the requirement or create an RFQ or Live Auction
2. Generate the Leading PO in SRM.
3. The Leading PO in SRM is replicated the appropriate ERP system.
4. Create follow-on documents for the goods receipt and vendor's invoice either in SRM or the ERP system.

Standalone Scenario

In the standalone scenario, requirements are created in SRM as a result of Shopping Carts. All of the following steps take place in SRM: PO creation, goods receipts, and invoice. The invoice information is then transferred to the backend system, where the financial posting occurs.

Functions for Processing Requirements

- **Search:** On the initial screen, you can search for approved requirements for which your purchasing group is responsible, and for which there is not yet a source of supply.
 - **Filter the requirements display** You can control whether a specific product category that appears in the search results is to be displayed or if all product categories are to be displayed.
 - **Remove requirements from the search results using Cancel Item**

If the requirement originates in SAP SRM, the requester receives an e-mail with possible reasons for the removal, for example, because a product cannot be obtained in sufficient quantity.

If the requirement is a planned external requirement, the planning system receives a notification that the requirement has been dealt with and is not to be processed further in SAP SRM.
 - **Find requirements by criteria** Depending on the entries made, the search also finds requirements from other purchasing groups in your purchasing organization. You can assign such a requirement to your purchasing group.

Using the Intended for Grouping indicator, you can search for requirements that the system has grouped together automatically to create a purchase order.
- **Assign Sources of Supply:** You can select relevant requirements from the search results, and branch to the Assign Sources of Supply application.
 - **Save** You can save requirements to process them later. Requirements that you have saved also appear in the worklist of the other members of your purchasing group. When you leave the application, other purchasers can then process these requirements.
 - **Propose sources of supply** You can have the system propose any existing sources of supply. SAP SRM determines the source of supply with the lowest price.
 - **Review Drafts** You can preview the document preview before it is created. It contains, for example, all purchase orders that SAP SRM will create for the selected requirements. In the preview, you can enter a short text that identifies the document.

- **Use supplier from external directory** You can have the system propose a supplier from an external system.
 - **Group requirements** You can have the system automatically group requirements and create a purchase order for the grouping. In the sourcing application, you can manually submit requirements for grouping.
 - **Create purchase order** You can create purchase orders for the requirements. If you create a local purchase order, you can subsequently edit it. If you create a back-end purchase order, this cannot be edited in Sourcing, only in the back-end system.
- ➔ **Note:** The system creates separate purchase orders for requirements with different goods recipients, even if the items contain the same supplier.

- **Create central contract** You can create a central contract for selected requirements.

The system creates a central contract for each supplier and ordering organization. With the appropriate configuration, you can also create back-end contracts from the sourcing application.

- **Create RFx** You can create an RFx for the selected requirements.

The RFx that you create in sourcing can only be processed in the SAP Bidding Engine. As a result of the RFx, you can create a purchase order (or contract) in SAP SRM and use it to procure the requirement.

- **Create auction** You can create an auction for the selected requirements.

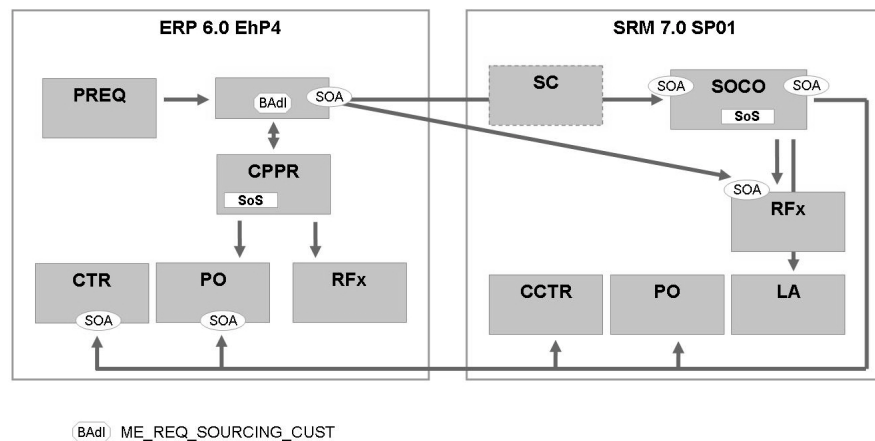


Figure 116: Procurement Sourcing Overview

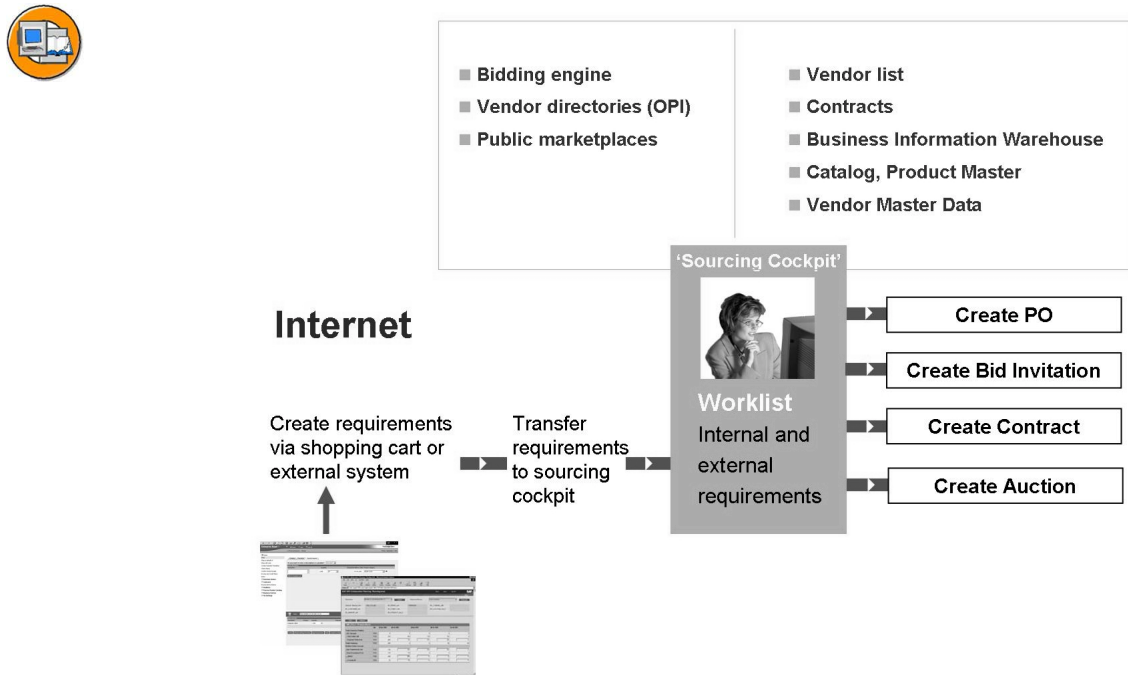


Figure 117: Operational Purchaser's View

- **Supplier Data** You can branch to vendor master data and see in the list of sources if the vendor is included in the Supplier List.
- **Bid versioning** SAP SRM tracks modifications to a bid, and you can compare the current version of a bid with previous versions.
- **Contract Data** You can branch to the contract details from all Sourcing areas (worklist, search, work area, sourcing proposal).
- **Catalog Integration** You can branch to the catalog for requirement items that originate from a catalog.
- **Requirement History and Vendor Evaluation** SAP SRM contains the following sourcing-specific evaluations from SAP BI (if SAP BI is connected) :
 - A requirement history that displays summed data on purchase order, confirmation and invoice items for all suppliers that cover the product category of the selected requirements
 - An evaluation for supplier assessment that contains key figures on the reliability of suppliers with regard to quantity, dates, and prices. You can find further evaluations that are modified for your role under Evaluations.



Assign Sources of Supply

1 Select Requirement 2 Assign Sources of Supply (No Items) 3 Review Drafts (No Items) 4 Summary Screen (No Documents)

Search Criteria: Requirements

Number of Shopping Cart: Name of Shopping Cart: Set/Reset

Item Description: Product Category:

Product: Supplier:

Requestor: External Requirement:

Purchasing Organization: Account Assignment Category:

Purchasing Group: Assign Number:

Priority: Intended for Grouping: ☐

Delivery Date Range: To: Include Locked Items: ☐

Search

Search Results

Shopping Cart / Item Number	Description	Category	Priority	Quantity	Unit	Requestor	Delivery Date	Supplier Number	Supplier Name	Contract	Info Record	External Item No.
18601	Casing SRM000	00201	500	PC	TRA_RFC	04/11/2005						
18701	Casing SRM001	00201	500	PC	TRA_RFC	04/11/2005						
18801	Casing SRM002	00201	500	PC	TRA_RFC	04/11/2005						
18901	Casing SRM003	00201	500	PC	TRA_RFC	04/11/2005						
20001	Casing SRM004	00201	500	PC	TRA_RFC	04/11/2005						
20101	Casing SRM005	00201	500	PC	TRA_RFC	04/11/2005						
20201	Casing SRM006	00201	500	PC	TRA_RFC	04/11/2005						
20301	Casing SRM007	00201	500	PC	TRA_RFC	04/11/2005						
20401	Casing SRM008	00201	500	PC	TRA_RFC	04/11/2005						

Figure 118: Sourcing Cockpit

In the case of requirements for shopping carts, the requirement number in the work area is the shopping cart number or shopping cart item number. External requirements also use the shopping cart number range; however, in the history of the requirement, you can see, for example, the purchase requisition number from a backend system that created the requirement.

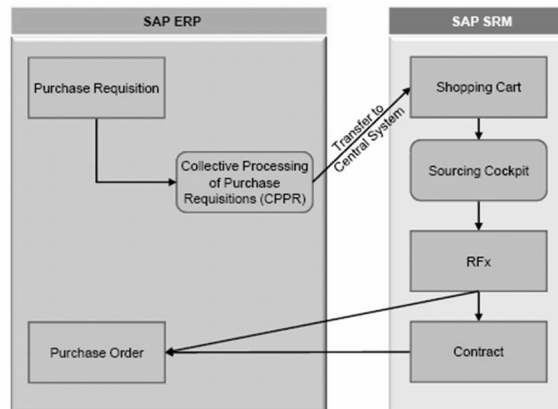
Once you create a purchase order or a contract for a requirement, it no longer appears in sourcing. If you create a bid invitation via the bidding engine, the requirement remains in sourcing with a hyperlink to the bid invitation. Once a bid has been accepted and a purchase order or contract is created for the bid, it will no longer appear in sourcing.

The purchaser can change requirements that have been created from shopping carts, but cannot add any new items. The system does not start new approval workflows for requirements that have been changed.



Note: You can only display external requirements and assign a source of supply to them.

Collective Processing of Purchase Requisitions (CPPR)



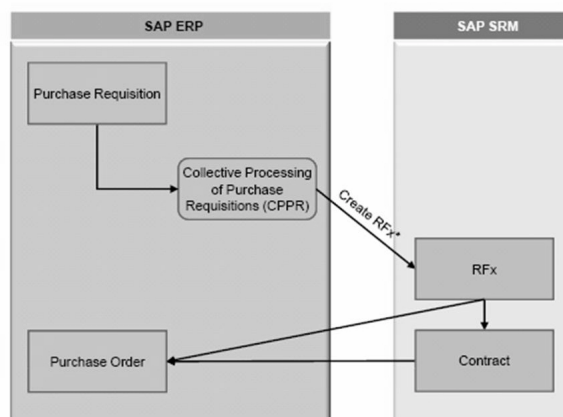
Manual demand transfer through user interaction

- Within CPPR, select ERP purchase requisition(s) and click on "Transfer to Central System". This creates purchase requests (shopping carts) in SRM
- If there are multiple SAP ERP systems, CPPR can be used in each ERP system to send demands to a single SRM
- Sourcing Cockpit is used to select and aggregate demands, which may have originated from multiple ERP systems
- Ideal for Centralized Sourcing

Figure 119: Collective Processing of Purchase Requisitions (CPPR)

Collective Processing of Purchase Requisitions (CPPR) is done in the NetWeaver Portal. In this process you identify Purchase Requisitions created in the ECC system without assigned sources of supply and then transfer them to SRM where the sourcing process takes place. This process enables you to take advantage of the latest sourcing tools available in SRM, instead of using the older RFQ functionality in the ECC.

With CPPR, you can have Purchase Requisitions transferred to the SRM Sourcing Cockpit, or have them directly create an RFx.



*For technical reasons, an approved shopping cart is also created

Direct RFx creation

- Within CPPR, select ERP purchase requisition(s) and click on "Create RFx".
 - Can select an RFx type and enter bidders and the bid submission deadline
 - RFx is created in SRM
- If there are multiple SAP ERP systems, CPPR can be used in each ERP system to create separate RFx's in SRM
 - A single RFx has demands from the same ERP system, i.e. not from multiple ERP systems
- Sourcing Cockpit is not used in this scenario
- Ideal for immediate one-to-one RFx creation

Figure 120: RFx from CPPR

Sources of Supply

Central Contract

Quota Arrangements

You can use this function in both a manual process and an automated process as part of sourcing to generate purchase orders (POs). Quota arrangements allow you to define target percentages and distribute them between two or more purchasing contracts. A quota arrangement ensures that a contract is guaranteed both a minimum sales volume and n per cent of the total purchasing volume of a product category or product. A quota arrangement has the highest priority in the sourcing process. During the validity period of a quota arrangement there are two phases:

- Fulfillment of guaranteed minimums:
 - Before the system assigns contracts based on target percentages, the quota arrangement ensures that all guaranteed minimums of contracts participating in that quota arrangement are fulfilled. The sequence in which the guaranteed minimums are fulfilled is determined by the target percentages defined in the quota arrangement. Guaranteed minimums are defined in the contract.
- Assignment of contracts based on target percentages:
 - Once all of the guaranteed minimums of contracts participating in a quota arrangement have been fulfilled, the system continues to automatically assign contracts based on the target percentages defined in that quota arrangement. The winning contract is then determined by the relative difference between the actual release value and the target value of the quota arrangement.

Supplier List

Users can use a Supplier List when they search for sources of supply for their purchases. This Supplier List is compiled by the purchaser for certain products or product categories and contains vendors and backend contracts. When the Open Partner Interface is connected, sourcing can be extended to cover external Supplier Lists as well.

The Supplier List is integrated into all SAP SRM applications that contain vendor search help and in which you can display sources of supply, such as:

- Shop
- Shop with value limit
- Sourcing

Purchasers compile Supplier Lists for their purchasing organization on the basis of vendor evaluations, vendor master data, and contracts.

Supplier Lists can be created for products or for product categories. Product Supplier Lists take precedence over product category Supplier Lists.

As part of sourcing for purchasing transactions, SRM checks if entries in the Supplier List exist for requested items. Sourcing compares the requirement data with that of the Supplier List and, if there is a match, it proposes one or more vendors for selection.

In the Supplier List, you can also define backend contracts specific to systems (with a logical system). This enables effective sourcing for backend contracts. You use Supplier Lists with details on the logical system in both the classic and the extended classic scenarios in SRM.

In order for sourcing to determine a vendor via Supplier List(s), the Supplier Lists must be released and the following search criteria must match in the requirement and the Supplier List:

- Purchasing organization
- Product category
- Product



Overview

Header

Source Of Supply

Notes and Attachments

General Header Data

Responsible Purchase Organization: * Central R/3 Purchasing Department

Internal Note

Sources of Supply

Details

Add

Copy

Paste

Delete

Undelete

Evaluate Supplier

Line Number	Supplier is Active	Item Priority	Supplier ID	Supplier Name	Backend System
1			ARAMI-00	Aramingo-00	
2			ARAMI-01	Aramingo-01	
3			ARAMI-02	Aramingo-02	
4			ARAMI-03	Aramingo-03	
5			ARAMI-04	Aramingo-04	

Close

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Figure 121: Approved Supplier List

The example above shows several possibilities for Supplier List items:

- First Supplier List: This refers to a backend product category: a single product with two possible sources. The first vendor, SRM-30, has a contract arranged.
- Second Supplier List: This list is for the local Food & Beverage (L) product category, without specifying a product. It will be recommended for any product in LOCAL2.
- Third Supplier List: Local product MATLOCAL1 has two recommended vendors.

The Supplier List contains preferred vendors for products or product categories. Each entry of the Supplier List can be marked as active or inactive. This enables you to define your favorite sources of supply or sources that are temporarily not suggested.

When maintaining the Supplier List, you will see a proposal of possible sources of supply from the system, but prices are not displayed.

It is possible to refer to backend contracts, but there is no search help for the contract number; it must be entered manually. There is no validation on backend contracts. Local contracts are not supported in the Supplier List at this time.

If you defined Supplier Lists, you can search for them by purchasing organization, product category, product, description, vendor, status, time frame, and lists you created.

In sourcing, you can see all sources of supply coming from the Supplier List marked with a special flag.

If the system finds an entry for a product, it overwrites an entry for the product category, which is less specific.

In both the shopping cart and the sourcing transaction, you can see whether a source of supply is maintained in the Supplier List.

Depending on Customizing, all sources of supply not maintained in the Supplier List will become invisible.

Supplier-Specific Prices (Product Inter-linkage)

Within a Product in SRM, you can create a relationship between one or more suppliers. In addition to the Supplier relationship, you can also maintain Supplier specific pricing as part of the Conditions for the product.

Sources of Supply from SAP ERP System

In the Classic Integration Scenario, you can use the following objects for Sourcing in SRM:

ERP Contracts

Purchasing Information Records

Source List



Note: These object do not need to be replicated or transferred to the SRM system. The integration of these objects is standard.

These sources can be assigned to Shopping Cart items or Requirements in the Sourcing Application. In the case of multiple sources of supply for an item, the requestor or purchaser can choose between the different sources. Using a Source List, it's possible to flag one of the sources as the Fixed source so it will be automatically assigned.

Exercise 22: Sourcing of Requirements

Exercise Objectives

After completing this exercise, you will be able to:

- Utilize the SRM sourcing transaction to assign a supplier and price to an open requirement
- Source requirements in the Classic and Standalone scenarios.
- Process a plan-driven direct procurement requirement in SRM

Business Example

You have requested circuit breakers and sheet metal. These items are not commonly ordered and will require a buyer to assign the suppliers and prices. Your system is configured to create requirements in the Sourcing Cockpit for certain product categories if the item is missing a source of supply, as opposed to purchase requisitions in the ECC (classic) or local purchase orders that are held (standalone).

You also use MRP driven procurement in your ERP system. Some of the resulting purchase requisitions do not have assigned sources of supply. These requisitions are transferred to the Sourcing Cockpit in SRM, where a buyer needs to assign a source.

Task 1:

Order items by describing them and process the resulting requirements in the sourcing transaction.

1. As an employee, create a shopping cart for circuit breakers using the product category **Local Electronics (L)** and sheet metal using the product category **Steel Sheets**. You will need to describe these items because they do not exist in the catalog.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Continued on next page

Shopping cart item 1:

<i>Description</i>	Circuit breakers
<i>Quantity</i>	10
<i>Unit of Measure</i>	Each
<i>Category Description</i>	Local Electronics (L)

Shopping cart item 2:

<i>Description</i>	Sheet metal
<i>Quantity</i>	10 Sheet
<i>Unit of Measure</i>	Sheet
<i>Category Description</i>	Steel sheets

- Acting as the Operational buyer who is responsible for the product category **Local Electronics**, you need to source the requirement created by an employee for the Circuit breakers. Search for requirements with this product category and create a purchase order after you assign a supplier and price.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Assign source and price to the requirement:

<i>Supplier Number</i>	ARAMI - ##
<i>Gross Price</i>	10

- As an Operational buyer who is responsible for product category **Steel Sheets**, you need to source the requirement created by an employee for the sheet metal. Assign a supplier and a price to the requirement and then choose the option to create a purchase order.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	R3BUYER
<i>Password</i>	training

Continued on next page

Assign source and price to the requirement:

<i>Supplier Number</i>	MCCOY-##
<i>Gross Price</i>	5

- As the employee who ordered circuit breakers and sheet metal, check the follow-on documents for your shopping cart items.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Task 2:**Sourcing Plan-Driven Direct Procurement Requirements**

Material Requirements Planning (MRP) has been executed in the ECC system for the product **T-SRM2##** and has created a purchase requisition. The purchase requisition has been transferred to SRM and has generated a requirement in Sourcing. Use the sourcing feature to complete this requirement.

- View the Stock/Requirements list for the material **T-SRM2##** in plant 3200 in the ECC system and verify that there is a purchase requisition that was generated from Materials Requirement Planning (MRP).

Log onto the ECC with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

- Acting as the operational purchaser, use the sourcing application to add the vendor **ARAMI-##** and a price of **\$110** to the requirement for the product **T-SRM2##** and create a purchase order.

Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- Verify that the Stock/Requirements list for material **T-SRM2##** has been updated in the ECC system to reflect the purchase order.

Solution 22: Sourcing of Requirements

Task 1:

Order items by describing them and process the resulting requirements in the sourcing transaction.

1. As an employee, create a shopping cart for circuit breakers using the product category **Local Electronics (L)** and sheet metal using the product category **Steel Sheets**. You will need to describe these items because they do not exist in the catalog.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Shopping cart item 1:

<i>Description</i>	Circuit breakers
<i>Quantity</i>	10
<i>Unit of Measure</i>	Each
<i>Category Description</i>	Local Electronics (L)

Shopping cart item 2:

<i>Description</i>	Sheet metal
<i>Quantity</i>	10 Sheet
<i>Unit of Measure</i>	Sheet
<i>Category Description</i>	Steel sheets

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Services* → *Shop*.
- c) Choose *Describe what you need*.

Continued on next page

- d) Enter the following information:

<i>Description</i>	Circuit breakers
<i>Product Category</i>	LOCAL3
<i>Quantity</i>	10
<i>Unit</i>	EA



Hint: Category ID is **LOCAL3**, the description of this category is **Local Electronics (L)**

- e) Choose *Ok*.
 f) Choose *Add Item* to add the second item to the shopping cart.
 g) Choose *Describe what you need*.
 h) Enter the following information:

<i>Description</i>	Sheet metal
<i>Produce Category</i>	00102
<i>Quantity</i>	10
<i>Unit</i>	SHT



Hint: Category ID is **00102**, the description of this category is **Steel sheets**

- i) Choose *Ok* .
 j) Choose *Next*
 k) Enter **Source-Req##** as the *Name of Shopping Cart*
 l) Choose *Order*
 m) Choose *Close* to end the shopping transaction.
 n) Choose *Log off*
2. Acting as the Operational buyer who is responsible for the product category **Local Electronics**, you need to source the requirement created by an employee for the Circuit breakers. Search for requirements with this product category and create a purchase order after you assign a supplier and price.

Launch SRM and enter the following information:

Continued on next page

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Assign source and price to the requirement:

<i>Supplier Number</i>	ARAMI - ##
<i>Gross Price</i>	10

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- b) Choose *Purchasing* → *Sourcing* → *Carry Out Sourcing*
 c) Enter **LOCAL3** as the *Product Category* and choose *Search*
 d) Locate your item by sorting the requirements by *Requestor*



Hint: Click on *Requestor* to sort in Ascending or Descending order. Your Requestor is **SRM User-##**

- e) Select your requirement and choose *Next*
 f) Choose *Propose Sources of Supply*. You receive a message indicating there are no sources of supply for this item. Choose *Close* to close out the message.
 g) Enter the following data:

<i>Supplier Number</i>	ARAMI - ##
<i>Gross Price</i>	10

- h) Choose *Create Draft* → *Purchase Order*
 i) Select *Transaction Type* **EC: Purchase Order**
 j) Choose *Process Selected Drafts*

A local purchase order was created for the Circuit breakers (Standalone Scenario.)

- k) Choose *Close* to close out the Sourcing transaction.
 l) Choose *Log Off*

Continued on next page

3. As an Operational buyer who is responsible for product category **Steel Sheets**, you need to source the requirement created by an employee for the sheet metal. Assign a supplier and a price to the requirement and then choose the option to create a purchase order.

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	R3BUYER
<i>Password</i>	training

Continued on next page

Assign source and price to the requirement:

<i>Supplier Number</i>	MCCOY-##
<i>Gross Price</i>	5

- a) Launch SRM and enter the following information:

<i>User ID</i>	R3BUYER
<i>Password</i>	training

- b) Choose *Purchasing* → *Sourcing* → *Carry Out Sourcing*
 c) Enter **00201** as the *Product Category* and choose *Search*
 d) Locate your item by sorting the requirements by *Requestor*



Hint: Click on *Requestor* to sort in Ascending or Descending order. Your Requestor is **SRM User-##**

- e) Select your requirement and choose *Next*
 f) Choose *Propose Sources of Supply*. You receive a message indicating there are no sources of supply for this item. Choose *Close* to close out the message.
 g) Enter the following data:

<i>Supplier Number</i>	MCCOY-##
<i>Gross Price</i>	5

- h) Choose *Create Draft* → *Purchase Order*
 i) Select *Transaction Type* **EC: Purchase Order**
 j) Choose *Process Selected Drafts*
 A purchase order was created in the ERP for the Sheet Metal (Classic Scenario.)
 k) Choose *Close* to close out the Sourcing transaction.
 l) Choose *Log Off*
4. As the employee who ordered circuit breakers and sheet metal, check the follow-on documents for your shopping cart items.

Launch SRM and enter the following information:

Continued on next page

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Services*.
- c) Select the shopping cart item with the *Circuit breakers*
- d) Choose the *Related Documents* tab in the item details section and note the resulting purchase order.
- e) Select *Next Item* to see the *Related Documents* for the Sheet Metal.

Task 2:**Sourcing Plan-Driven Direct Procurement Requirements**

Material Requirements Planning (MRP) has been executed in the ECC system for the product **T-SRM2##** and has created a purchase requisition. The purchase requisition has been transferred to SRM and has generated a requirement in Sourcing. Use the sourcing feature to complete this requirement.

1. View the Stock/Requirements list for the material **T-SRM2##** in plant 3200 in the ECC system and verify that there is a purchase requisition that was generated from Materials Requirement Planning (MRP).

Log onto the ECC with the following information:

Continued on next page

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

- a) Log onto the ECC with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	Provided by instructor

Choose *Logon*

- b) Enter transaction **/NMD04** in the command field.
 c) Enter the following information and choose *Continue (enter)*.

<i>Material</i>	T-SRM2##
<i>MRP area</i>	3200
<i>Plant</i>	3200

- d) Verify that there is an existing purchase requisition in the MRP area. Write down the number of the purchase requisition, or copy it to your clipboard (Ctrl + C)
 e) Do not log out of the ECC system.
2. Acting as the operational purchaser, use the sourcing application to add the vendor **ARAMI-##** and a price of **\$110** to the requirement for the product **T-SRM2##** and create a purchase order.

Launch SRM and enter the following information:

Continued on next page

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon..*

- b) Choose *Purchasing* → *Sourcing* → *carry out Sourcing*.
- c) Enter the purchase requisition number from above, or paste it (Ctrl +V) into the *External Requirement* field and choose *Search*
- d) Choose *Propose Sources of Supply*. You receive a message indicating there are no sources of supply for this item. Choose *Close* to close out the message.
- e) Enter the following data:

<i>Supplier Number</i>	ARAMI - ##
<i>Gross Price</i>	110

- f) Choose *Create Draft* → *Purchase Order*
- g) Select *Transaction Type DP00: PO Direct PO*
- h) Choose *Process Selected Drafts*

A purchase order was created in the SRM and the ERP for the Casingl (Extended Classic Scenario.)

- i) Choose *Close* to close out the Sourcing transaction.
- j) Choose *Log Off*
3. Verify that the Stock/Requirements list for material **T-SRM2##** has been updated in the ECC system to reflect the purchase order.
- a) Switch back to your ECC session.
- b) Choose the *Refresh* icon.

The MRP element has changed from a purchase requisition to a purchase order.

Exercise 23: Create a Bid Invitation from Sourcing

Exercise Objectives

After completing this exercise, you will be able to:

- Create a bid invitation from the sourcing function in SRM

Business Example

A employee requests tools that need to be sourced using a bid invitation.

Task:

An employee requests tools. The operational buyer must create a bid invitation to properly source the items.

1. As an employee, create a shopping cart for tools by describing the requirement. Name the shopping cart **Source-Req1##**

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Shopping cart item data:

<i>Description</i>	Testing Tools
<i>Product Category</i>	LOCAL3
<i>Quantity</i>	10
<i>Unit</i>	EA
<i>Net Price</i>	20
<i>Delivery Date</i>	2 weeks from today

2. As an operational buyer, you need to source the requirements created by an employee. Create a bid invitation for the requirement related to the shopping cart named **Source-Req1##**.

Launch SRM and enter the following information:

Continued on next page

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Solution 23: Create a Bid Invitation from Sourcing

Task:

An employee requests tools. The operational buyer must create a bid invitation to properly source the items.

1. As an employee, create a shopping cart for tools by describing the requirement. Name the shopping cart **Source-Req1##**

Launch SRM and enter the following information:

Logon data:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Shopping cart item data:

<i>Description</i>	Testing Tools
<i>Product Category</i>	LOCAL3
<i>Quantity</i>	10

Continued on next page

<i>Unit</i>	EA
<i>Net Price</i>	20
<i>Delivery Date</i>	2 weeks from today

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMUSER-##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Employee Self-Services* → *Shop*
 c) Choose *Describe what you need*
 d) Enter the following information:

<i>Description</i>	Testing Tools
<i>Product Category</i>	LOCAL3
<i>Quantity</i>	10
<i>Unit</i>	EA
<i>Net Price</i>	20
<i>Delivery Date</i>	2 weeks from today



Hint: Category ID LOCAL3 is **Local Electronics (L)**

- e) Choose *OK*.
 f) Choose *Next*
 g) Change the shopping cart name to **Source-Req1##** and choose *Order*.
 h) Choose *Close*
 i) Choose *Log off*
2. As an operational buyer, you need to source the requirements created by an employee. Create a bid invitation for the requirement related to the shopping cart named **Source-Req1##**.

Launch SRM and enter the following information:

Continued on next page

Logon data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- b) Choose the 1st *Purchasing* → *Sourcing* → *Carry Out Sourcing*.
 c) Enter *Product Category* **LOCAL3** and choose *Search*
 d) Select the Shopping Cart for the *Testing Tools* and choose *Next*



Hint: Do not click on the document number of the Shopping Cart, only select the line so it is highlighted.

- e) Choose *Next*
 f) Choose *Create Draft* → *RFx*
 g) Choose the *Transaction Type* **RFQU: RFx**
 h) Choose *Process All Drafts*



Note: The RFx is created, with the status **SAVED**. It has no submission deadline or Bidder assigned to it.

- i) Write down the RFx document number
 RFx document number:
 j) Choose *Close*
 k) Choose the *Active Query* **RFxs All**
 l) Choose *Refresh* to update the Query
 m) Select the RFx document number from above
 n) Choose *Check* to see why the RFx has not been *Published*
 o) Choose the *Tracking* tab to see the related Shopping Cart
 p) Choose *Close*



Lesson Summary

You should now be able to:

- Explain the sourcing scenarios within SAP SRM
- Detail the integration of Sourcing Application with the Bidding Engine and Contract Management.
- Explain the possible sources of supply in SRM.

Lesson: Central Contract Management

Lesson Overview

This lesson will provide an overview of the Central Contract Management scenario in SRM.



Lesson Objectives

After completing this lesson, you will be able to:

- Process Purchasing Central Contracts in SRM
- Describe the process flow of Central Contracts
- Explain the integration of Central Contract Management with other SRM components

Business Example

Your company negotiates new contracts with strategic suppliers, as well as renegotiates expiring contracts with existing suppliers. You would like to utilize SRM Central Contract Management for these activities.

Central Contract Management

This function allows you to manage and distribute central contracts across SAP Supplier Relationship Management (SAP SRM) and connected SAP ERP systems. You can:

- Create, change and renegotiate an existing central contract directly with suppliers or by creating RFx.
- Use a central contract as source of supply across all connected systems, accumulating buying power into a superordinate contract using central contract hierarchies
- Customize central contract distribution to your needs, whether they be for individual contracts or bulk assignments
- Control access to a central contract through the assignment of authorizations
- Configure the system to generate alerts (for release quantity, or expiring contracts, for example) that will help you to tailor your central contract and define its conditions as you develop it.

A strategic purchaser creates a contract or a Central Contract whenever a long-term relationship is anticipated and the vendor can be considered as a source of supply. Central Contract Management enables purchasers from various parts of the company at different locations to take advantage of the terms of globally-negotiated contracts for specific product categories.

You can provide users with specific levels of authorization to Central Contracts, and also categorize these documents as confidential. You can distribute a Central Contract to the release-authorized purchasing organizations and these organizations can use the contracts and scheduling agreements created from the distributed Central Contract. You can use hierarchies to organize, structure, display, and search for your contracts.

If you use SAP Business Intelligence (SAP BI), you can view various consolidated reports of Central Contract Management. For example, you can view the aggregated value released against all the contracts in a contract hierarchy.

Contracts in SRM can be negotiated using the functions of the Bidding Engine, such as Bid Invitations or Live Auctions.

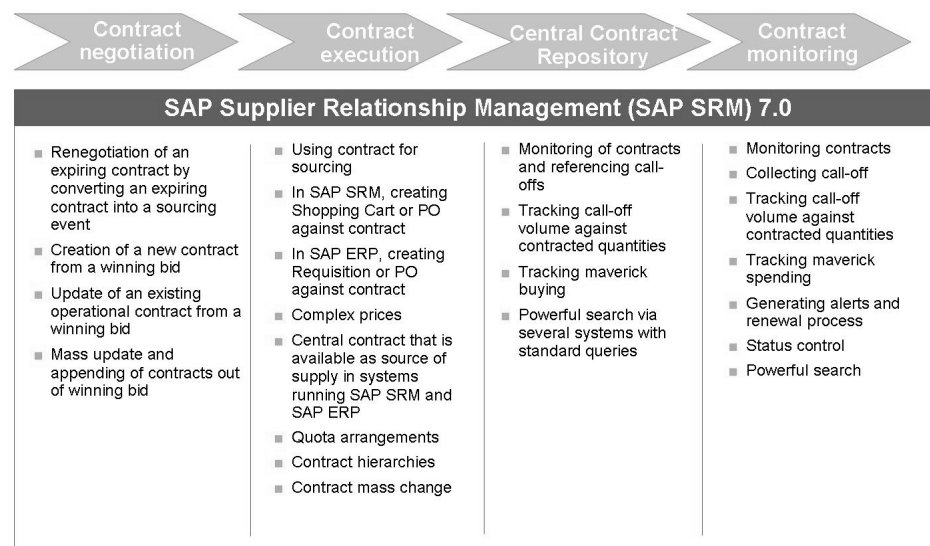


Figure 122: SRM Central Contract Management Process

Purchasing Contracts A purchasing contract is a purchasing document within SRM that the strategic purchaser negotiates with a vendor, outlining the terms of agreement between the two parties. The strategic purchaser typically creates a contract as soon as it becomes clear that the relationship with a vendor will be long-term.



Central Contract Management Scenario

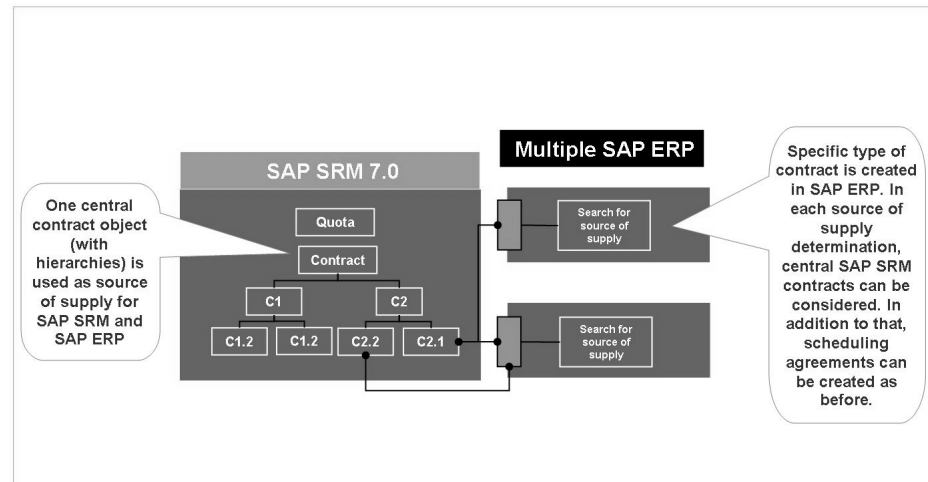


Figure 123: SRM Central Contract Scenario

Once a contract has been created, it can be used for sourcing purposes in the following ways:

- By strategic purchasers to find sources of supply to fulfill purchase orders
- By employees when ordering from the company catalog
- Contracts can be uploaded to SAP Master Data Management (MDM) so that employees can use contracts for sourcing directly from the catalog.

Contracts can also be included within a contract hierarchy. This facilitates negotiating and changing related contracts because changes made to the contract at the top of the hierarchy cascade down to the subordinate contracts in that hierarchy.

Purchasers can create contracts in a number of different ways:

- Copy an existing contract
- Use an existing template
- Upload an external file
- Upload a contract from the catalog
- Convert the result of a bid or auction
- Use data from the Sourcing application

Before implementing the Central Contract Management business scenario, the purchasing organization determines which purchasers should receive authorization to create and use contracts. It is also possible to categorize contracts as confidential, which means that users need special authorization to access these contracts. In the contract itself, the purchaser can then decide whether or not other users should receive authorization to display or change certain parts of the contract.

When the contract is ready, it is sent by workflow to the responsible manager for approval. Once approval has been granted, the authorized purchasers can use the contracts to process purchase orders or invoices.

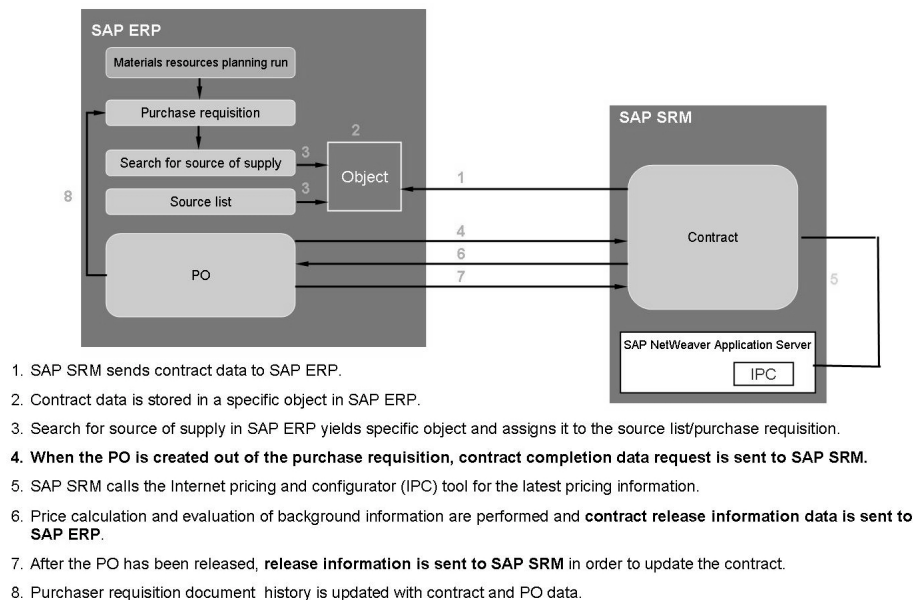


Figure 124: Purchasing Central Contracts in SRM

Upload of Contracts from ERP to SRM

You can use the report `BBP_CONTRACT_INITIAL_UPLOAD` to upload the contracts and scheduling agreements from an ERP system to an SRM system. This allows you to integrate existing contracts into the SRM central contract repository. A contract or a scheduling agreement from the SAP backend system is uploaded to the SRM system as a central contract, based on the transaction type customized in the SRM or SAP backend systems.

In this process, the system administrator uploads all contracts from the SAP backend system to the SRM system as a one-time task and then closes the contracts in the SAP backend system, to ensure that SRM is the lead Central Contract Management system.

- ➡ **Note:** The SAP backend contracts are still available for releases within the SAP backend system after uploading them to the SRM system.
- ➡ **Note:** Once the contracts and scheduling agreements are uploaded to an SRM system, the changes to these documents are not transferred back to the SAP backend system and vice versa.
- ➡ **Note:** Information about the quantity released against the backend purchase orders and schedule lines are not uploaded.

Contract Mass Change

You use the Perform Mass Changes process in the Central Contract Management application to make the same change or changes at one time to the following:

- One or more contracts
- A contract hierarchy
- Part of a contract hierarchy

A wizard guides you through the steps of making the mass changes, including an optional simulation step that allows you to check the results of the changes before you apply them finally.

Changing Vendors in Contracts: This function enables you to transfer some or all of the contracts from one vendor to another if there has been a merger or buy-out. It allows you to change the number of a vendor in a contract and define the new validity period of that contract. The system calculates a new contract validity period for the old vendor.

Executing Contracts

The process allows you to use hierarchies to structure and organize your contracts, vendors, and product categories as follows:

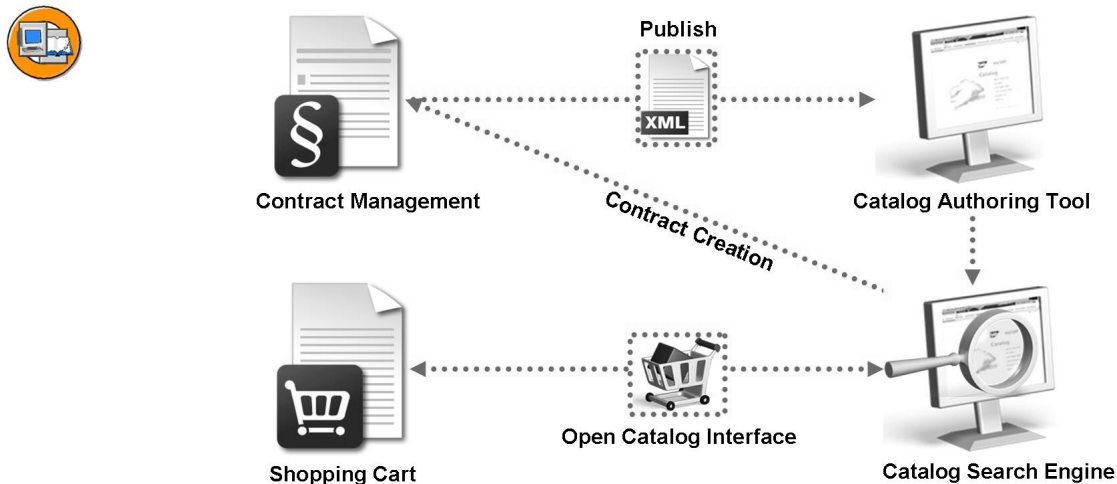
- **Contract hierarchies** Can consist of multiple levels, for example, contracts can be categorized into global, regional, and local contracts. You can also use contract hierarchies, or parts of hierarchies, to make multiple changes to contracts. Contract hierarchies can also be used to define discounts based on the aggregated released values for contracts within a hierarchy, but these discounts can also be defined for individual contracts too.
- **Vendor hierarchies** Mainly employed for reporting purposes. They also guarantee, for example, that releases against contracts are made within a particular vendor hierarchy.
- **Product category hierarchies** Improve reporting efficacy, enabling more detailed analyses so that, for example, weak points can easily be identified. Since your organization may already use product category hierarchies, it is possible for you to upload existing hierarchies using a special interface.

The system can determine discounts that are based on the aggregated release value for the entire central contract hierarchy.

The aggregated release value is the sum of all values that have been ordered against a particular central contract. The system determines the release value for each hierarchy level automatically and updates the aggregated release value for the entire central contract hierarchy.

Purchasers can also use quota arrangements to determine in a particular product category or for a product that a requirement is to be provided by a certain contract or vendor, according to the amount defined in the quota arrangement. If the sourcing result is ambiguous (for example, because there are several relevant

quota arrangements), then all of the possible sources of supply are displayed. The purchaser can then choose which of these is to be used to fulfill the purchase order and can create a purchase order against the relevant contract.



■ Simultaneous integration with contract:

- Contracts can be created with products from a catalog.
- Catalog can be filled with contract information.

Figure 125: SRM Contract uploaded to MDM

- **Contract relationships** You always assign a contract to a superordinate contract. To release the contracts belonging to a contract hierarchy, you must do this from the top down. That is, you start with the superordinate contract and subsequently release each subordinate contract. To close the contract hierarchy, you must close the contracts within the hierarchy from the bottom of the tree upwards. That is, you start with the lowest contract and work your way up to the top-most contract.



Note: Once a contract has been released, it can no longer be assigned to or reassigned within a hierarchy.

- **Browsing within a contract hierarchy** You can display and process contract hierarchies under the Hierarchy sub tab in a tree structure.
- **Aggregated release value** The system automatically determines the release value for each hierarchy level and updates the aggregated release value for the entire contract hierarchy.
- **Discounts based on the aggregated release value** The system determines discounts that take all of the contracts within a hierarchy into consideration.
- **Mass changes to contracts in a hierarchy** You can make mass changes to all of the contracts in a hierarchy or part of a hierarchy, thus ensuring consistency.

- **Download and upload of contracts in a hierarchy** You can use the Central Contract Management applications Download and Upload to export complete hierarchies, work on them offline, and import them back into the system.
- **Archiving** You can archive complete hierarchies by running a report in the system. Before you can do this, the contracts within the hierarchy must all have the status Can be Archived.
- **Extended search** You can search for product category hierarchies in the Extended Search screen that offers input help with a hierarchical display.
- **Importing of product category hierarchies** into the SRM system, for example, backend material categories from SAP ERP, Standard product category hierarchies such as UNSPSC or eClass and Customer-defined product categories.
- **Automatic source of supply determination** During the sourcing process, the system selects all sources of supply that are assigned to the product category of a contract item or a vendor list entry. If no source of supply is selectable from the product category, if you use product category hierarchies, the next superordinate product category level is taken into account.
- **Structuring of vendor relationships:** You can structure and model vendor relationships (for example, you have a superordinate vendor and want to assign dependant, local subsidiaries to it).
- **Importing of external vendor hierarchies into the SRM system** You can import external data sources, such as D&B family trees or your own existing vendor categories. This means that you can incorporate the latest market information into your vendor hierarchies. For example, new mergers and acquisitions in the supply base can immediately be taken into consideration in reporting.
- **Fulfillment of guaranteed minimums:** Before the system assigns contracts based on target percentages, the quota arrangement ensures that all guaranteed minimums of contracts participating in that quota arrangement are fulfilled. The sequence in which the guaranteed minimums are fulfilled is determined by the target percentages defined in the quota arrangement. Guaranteed minimums are defined in the contract.
- **Assignment of contracts based on target percentages:** Once all of the guaranteed minimums of contracts participating in a quota arrangement have been fulfilled, the system continues to automatically assign contracts based on the target percentages defined in that quota arrangement. The winning contract is then determined by the relative difference between the actual release value and the target value of the quota arrangement.



Note: The contracts in one quota arrangement must have the same base unit of measure.

Contract Monitoring

You can use Business Warehouse (BW) to monitor SRM contracts. There are various events purchasers can be notified of such as:

- The validity period of a contract is about to expire
- The greatest possible release quantity will soon be reached
- A new contract has been released
- A purchaser has moved within the organization
- The processing time for a contract has been exceeded

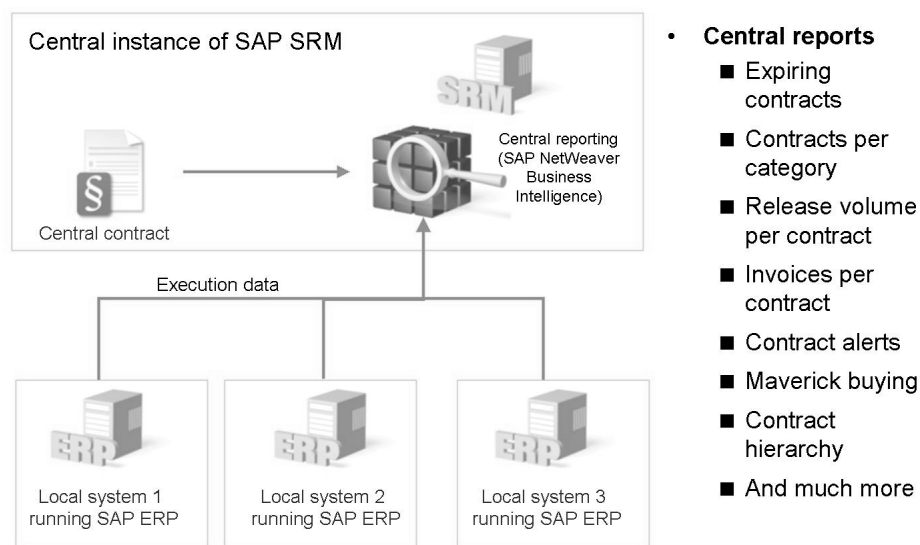


Figure 126: Contract Monitoring with BW

Central Contract Distribution

Central Contracts serve as agreements negotiated by a purchasing organization for an entire corporate group.

The data contained within the central contract is distributed as purchasing contracts or scheduling agreements to the backend systems of the release-authorized purchasing organizations of the relevant corporate group. These purchasing organizations can then use the purchasing contracts or scheduling agreements according to the terms agreed centrally within the global outline agreement.

The quantity and the value of the purchase orders, limit confirmations and invoices are released against the contract in the backend system and the values are updated against the Central Contract in the SRM system.

You can provide users with specific levels of authorization to Central Contracts, and also categorize them as confidential. You can also send e-mails to these organizations about the approved Central Contract. These purchasing organizations can register themselves to use this Central Contract for their purchase orders, limit confirmations and invoices.

Authorizations for Central Contracts

You can use this function to authorize all users assigned to a role to create, change, display, print, or delete various sections of a central contract.



- Currency on Distribution Level
- Payment Terms on Item and Distribution Level
- Discount Based on Aggregated Release Value
- Additional Contract Information in Shopping Cart
- Distribute Contract to Catalog on Item Level
- Introduction of Revision Level in SRM 7.0
- Text Transfer (Enhanced in SRM 7.0)
- Multiple Alert Thresholds for Contracts
- Exchange Rate Thresholds
- Change Documents and Version Management for Conditions
- Records Management Integration

Figure 127: Additional Features in SRM Central Contract Management

Exercise 24: Central Contracts

Exercise Objectives

After completing this exercise, you will be able to:

- Create Central Contracts in SRM
- Utilize the Central Contract in SRM and ERP

Business Example

You want to evaluate how Central Contracts might help you to decrease the maverick buying in some of your organizations

Task 1:

Using the SRM Portal, logon as a Strategic buyer and create a Central Contracts in SRM

1. Create a Central Contract for the product **T-SRM4##**. The contract is for a target quantity of **1,000** , target value of **79000** at base price of **\$79 USD**. There is a 22% discount on this item. The agreement is with the vendor **MCCOY-##** and is valid for one year. Releases against the contract are authorized for the **Central R/3 Purchasing Department** Purchasing Organization. Name the contract **Contract##**.

Launch SRM and enter the following information:

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

2. Create a Shopping Cart for the product **T-SRM4##** and verify the Central Contract is a possible source of supply.

Task 2:

Review the Central Contract in the ERP system and create a release order.

1. Acting as a buyer, view the Central Contract in the ERP system.

Log onto the ERP system with the following:

Continued on next page

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	provided by instructor

Task 3:

Create a Contract Release Order in the ERP system

1. Create a Standard Purchase Order with reference to the Central Contract.

Data for Purchase Order

<i>Header Data</i>	
<i>Purch. Org.</i>	3000
<i>Purch. Group</i>	000
<i>Company Code</i>	3000
<i>Item Data</i>	
<i>Material</i>	T-SRM4##
<i>Quantity</i>	50
<i>Delivery Date</i>	One week from today
<i>Plant</i>	3200
<i>Outline Agreement</i>	Your ERP Outline Agreement



Note: You could also enter the SRM Central Contract number and item, instead of the ERP Outline Agreement number.

Task 4:

Review the contract release history in SRM.

1. Acting as the buyer who created the Central Contract in SRM, check the release history.

Solution 24: Central Contracts

Task 1:

Using the SRM Portal, logon as a Strategic buyer and create a Central Contracts in SRM

1. Create a Central Contract for the product **T-SRM4##**. The contract is for a target quantity of **1,000** , target value of **79000** at base price of \$79 USD. There is a 22% discount on this item. The agreement is with the vendor **MCCOY-##** and is valid for one year. Releases against the contract are authorized for the **Central R/3 Purchasing Department** Purchasing Organization. Name the contract **Contract##**.

Launch SRM and enter the following information:

Logon Data:

User ID	SRMBUYER##
Password	Provided by instructor

- a) Choose *Strategic Purchasing* → *Contract Management* → *Contract* from the menu options
- b) Select the *Contract Type* **CTTR** and choose *Start*
- c) Enter **MCCOY-##** as the *Supplier*
- d) Enter **Contract##** as the *Contract Name*
- e) Enter **T-SRM4##** as the *Product ID*
- f) Enter **1000** as the *Target Quantity*
- g) Enter **79000** as the *Target Value*
- h) Enter **79** as the *Price*
- i) Confirm you entries by hitting **Enter** on your keyboard
- j) Choose the *Items* tab
- k) Choose *Details* button
- l) Select *Conditions* tab in the item details
- m) Select *Add Condition*
- n) Select **Discount (%)** from the *Condition Types*
- o) Enter **22** as the amount for this condition
- p) Choose the *Distribution* tab

Continued on next page

- q) Select **Central R/3 Purchasing Department** as the *Release-Authorized Purchasing Organization*
- r) Choose the *Header* tab
- s) Choose the *Distribution* link on the *Header* tab
- t) Enter **79000** in the *Target Value* field
- u) Choose *Check*
- v) Choose *Release*
- w) Choose *Refresh*
- x) Choose the *Tracking* tab

You will see the ERP Outline Agreement (Contract) number. This is under the column *Backend Document Number*. The document under the column *Document Number* is the Central Contract in SRM.

Write down the ERP Contract number:_____

- y) Choose *Close*
 - z) Do not log off of SRM
2. Create a Shopping Cart for the product T-SRM4## and verify the Central Contract is a possible source of supply.
- a) Choose the first *Purchasing* → *Purchasing* → *Shopping Cart*
 - b) Enter **T-SRM4##** in the *Product ID* field.
 - c) Choose **Enter** on your keyboard
 - d) Choose *Details*
 - e) Choose the *Sources of Supply/Service Agents* tab
- You should see the Central Contract as the assigned source of supply.
- f) Enter **Central Contract##** as the *Name of Shopping Cart*
 - g) Choose *Order*
 - h) Choose *Close*
 - i) Do not log off of SRM

Task 2:

Review the Central Contract in the ERP system and create a release order.

1. Acting as a buyer, view the Central Contract in the ERP system.
Log onto the ERP system with the following:

Continued on next page

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	provided by instructor

- a) Log onto ECC with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	provided by instructor

- b) Enter the transaction code to display a contract, **/NME33K** in the command field.
- c) Enter the ERP Contract number from the previous step in the *Agreement* field and choose *Enter*
- d) Review the data in the contract

Task 3:

Create a Contract Release Order in the ERP system

1. Create a Standard Purchase Order with reference to the Central Contract.

Data for Purchase Order

Header Data	
<i>Purch. Org.</i>	3000
<i>Purch. Group</i>	000
<i>Company Code</i>	3000
Item Data	
<i>Material</i>	T-SRM4##
<i>Quantity</i>	50

Continued on next page

<i>Delivery Date</i>	One week from today
<i>Plant</i>	3200
<i>Outline Agreement</i>	Your ERP Outline Agreement



Note: You could also enter the SRM Central Contract number and item, instead of the ERP Outline Agreement number.

- a) Enter the transaction code to create a Purchase Order, **/NME21N** in the command field.
- b) Enter the following data:

Data for Purchase Order

Header Data	
<i>Purch. Org.</i>	3000
<i>Purch. Group</i>	000
<i>Company Code</i>	3000
Item Data	
<i>Material</i>	T-SRM4##
<i>Quantity</i>	50
<i>Delivery Date</i>	One week from today
<i>Plant</i>	3200
<i>Outline Agreement</i>	Your ERP Outline Agreement



Note: You could also enter the SRM Central Contract number and item, instead of the ERP Outline Agreement number.


- c) Choose the *Save* icon

Continued on next page

Task 4:

Review the contract release history in SRM.

1. Acting as the buyer who created the Central Contract in SRM, check the release history.
 - a) Switch back to your SRM session.



Note: If your session timed out, log back on and choose *Strategic Purchasing* → *Contract Management* from the menu options.
 - b) Choose *Strategic Purchasing* → *Contract Management*
 - c) Choose *Refresh* to update the Contract Query
 - d) Select your Central Contract from the list
 - e) Note the *Release Value* on the *Overview* tab
 - f) Choose *Details*
 - g) Choose the *Release* tab in the item details
- You will see the POs created against the Central Contract



Lesson Summary

You should now be able to:

- Process Purchasing Central Contracts in SRM
- Describe the process flow of Central Contracts
- Explain the integration of Central Contract Management with other SRM components

Lesson: Bidding Engine

Lesson Overview

This lesson covers sourcing in SRM from the bidding and auctioning perspective. The Bidding Engine is the application in SRM that can be used to source requirements and negotiate contracts. The Bidding Engine has the functionality to execute the bidding process from beginning to end including the live auction feature.



Lesson Objectives

After completing this lesson, you will be able to:

- Create bid invitations and bids using the bidding engine for materials and services.
- Explain the process of Live auctions
- Describe the integration of the bidding engine

Business Example

Your buying organization has been tasked to reduce overall procurement costs. In order to achieve this goal, you will utilize the bidding engine for creating bid invitations and holding live auctions.

Bid Invitations

The SAP Bidding Engine is a component of the SAP Supplier Relationship Management solution. Purchasers can use SAP Bidding Engine to create and process bid invitations and live auctions for products and services. Bidders can use SAP Bidding Engine to submit bids in response to these bid invitations and auctions. SAP Bidding Engine is available for the following composite roles:

- Purchaser
- Operational purchaser
- Strategic purchaser
- Purchasing assistant
- Bidder

You can create bid invitations:

- Manually
- From sourcing (Carry-Out Sourcing)
- Directly from a purchasing contract (Contract renegotiation)
- CPPR (Collective Processing of Purchase Requisitions)



Note: The CPPR allows one to process ECC Purchase Requisitions in a collective manner. Within CPPR one can push PR's to create RFx's in SRM.

There are two types of bid invitation:

- **Public bid invitations** are made accessible to potential bidders via the Web and published on portals, for example. The bidders can reach your Web page directly via a hyperlink from the portal, log on to your bidding engine system, and enter their bids. If you are expecting a bid from a particular bidder, you can e-mail them directly.
- **Restricted bid invitations** are only made accessible to known bidders via e-mail. Bidders can reach your Web page directly via a hyperlink in the e-mail, log on to your SAP Bidding Engine System, and enter their bid.



Hint: E-mails are generated using Smart Forms in which you can design the information in your notification exactly the way you want, without having to modify code. If your system runs in multiple languages, you must translate the text changes you make.

It is important to note that the term bid invitation is used as a general term for the type of document a purchaser sends out to potential bidders. Whereas, often, this will indeed be a bid invitation as described in this documentation, purchasers can create any type of document, or transaction type, they choose. For example, they can create a simple request for information or a request for quotation.



Hint: A commonly used term in bidding is RFx. This is a generic term used to describe different types of requests. RFx includes, for example, Request for Proposal (RFP), Request for Quotation (RFQ), Request for Information (RFI), etc.

You can create templates by choosing *Create template* from the initial screen in the bidding engine. This helps you process recurring transactions more quickly and efficiently. The process of creating a template is similar to that of creating a bid invitation; however, you do not need to fill out as many fields. Those fields relating to the opening date and submission deadline, for example, are filled out at a later stage when you use the template to actually create a bid invitation.

Supplier lists can be used when inviting selected bidders. You can compile these lists on the basis of your own experience with bidders and on evaluation reports that have been carried out in SAP BW. Once the list has been compiled and activated, you can include it in your bid invitation or auction. The first contact person in each case is included in the bid invitation. You can only include active lists; those that are blocked or flagged for deletion cannot be used.

A direct link from the application to SAP BW means that you can now generate reports quickly and easily. SAP delivers four reports, and you can add a fifth in the Implementation Guide (IMG) for SAP SRM under *SRM Server* → *Cross-Application Basic Settings* → *Define Logical Systems and Template Names for BW Reports*. If you do not wish to use the four reports delivered, you can replace them with reports of your own using the same Customizing activity.

The four standard reports are:

- Bidder history
- Vendor evaluation
- Price comparison list
- Detailed bid comparison with attributes

Once you have received bids, you can check them and accept the best bid or bids. You can then create one or more purchase orders or contracts for the winning bid(s). If you want to have the opportunity to receive a better bid, you can convert the bid invitation into a live auction. The previous bidders are informed about this and can then choose to revise their bids. All bidders see the best price per item and can undercut this price if they wish.

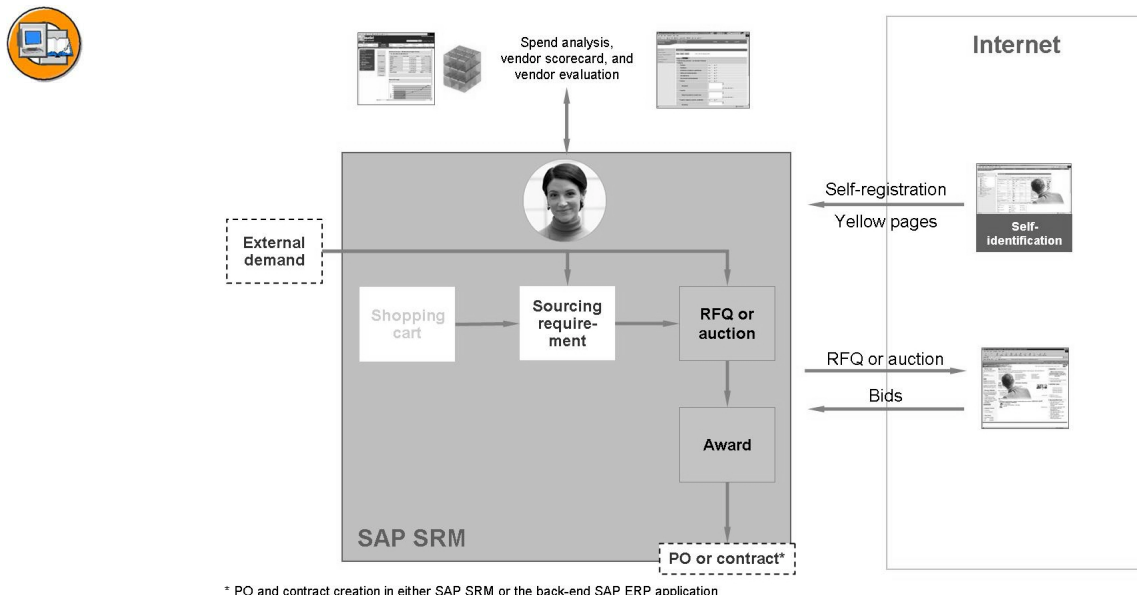


Figure 128: RFX and Auction Business Process

Creating Bid Invitations

You access the bidding engine as a purchaser by choosing *Process Bid Invitations* from the sourcing application in SAP SRM. On the initial screen, you can search for existing bid invitations or create a new one.

- **Basic data:** Here, you enter details such as:
 - Type of bid invitation: The type of bid invitation specifies whether you are creating a public or a restricted bid invitation.
 - Product category: Here, the product category is for information purposes only. It belongs to the search criteria on the initial screen.
 - Submission deadline: Bidders can submit their bids up until this date.
 - Opening date and time: From this date and time onwards, you can display and accept or reject the bids received.
 - Binding period: The bidder makes a commitment that the bid is valid until this date.
 - Detailed price information: If this indicator is set, bidders can enter conditions, such as scale prices.
- **Bidder/Bids:** Here you can search for bidders or portals (in the case of public bid invitations) from internal and external directories and transfer them to the bid invitation using multiple selection. You can also select and transfer different contact persons from the same organization. Depending on the settings in the IMG for SAP SRM under *SRM Server* → *Master Data* → *Define Catalogs*, you can choose to display catalog data in the integrated catalog. In other words, the data is displayed in the same window, allowing you to work more efficiently.
- **Documents :** You can enter an internal note or a vendor text and you can create attachments by uploading documents from your PC. You can also create an area in *cFolders* under *Collaboration*, where you can share, for example, specifications and design documents with potential bidders. You can create long texts at header, outline, and item levels. In the case of public bid invitations, the long text is displayed in the portal on header level and is transferred to the bidder in the e-mail.
- **Dynamic attributes:** You can define dynamic attributes for products and services. You can decide which characteristics are required as additional information for the current bid invitation.
- **Additional Currencies** Here, you select the currency in which the bid invitation is issued to bidders, plus acceptable alternative bid currencies. The bidder can bid in the currency of their choice, but is displayed to the

purchaser in the currency of the bid invitation. You can specify a date on which currencies are converted so that you have a record of the exchange rates when you compare bids.



Note: Currency exchange rates vary by date. If you specify currency conversion date that is earlier than the start date of the bid invitation, the exchange rates of your selected currencies remain fixed for the duration of bidding. If you specify a date that is later than the start date, the exchange at the time of comparing bids may differ from the exchange rate when the bid invitation is published. If you do not specify a currency conversion date, the system compares bids using the exchange rate on that date.

- **History:** This gives you an overview of all the documents pertaining to a bid invitation. It includes, for example, the contract from which a bid invitation was created along with any follow-on documents. It also provides information, such as the name and number of the particular document and the date on which it was created. You can display the information in the form of a table or a graphic.
- **Status:** You can display the current status of a bid invitation, for example *Held* or *Published*.
- **Outline levels:** You create outline levels for your bid invitation by entering a description for the outline level and an internal note or a vendor text. You can then add any number of items at each level. It is important to enter items at every outline level, since the bidder can only enter quantities and prices at item level. If you do not want to enter an outline, you can enter the items directly under *Item Data*.
- **Items:** You can transfer items from a catalog. Alternatively, in the item details, you can transfer products individually from the product master. You can define whether products replicated as material from the backend system and assigned to a plant can be ordered as direct material.
- **Lots:** You can use the outline mechanism to create lots that group together related items. Bidders must have bid on every item in a lot before they can submit their bid. Bid prices that are entered at item level are aggregated at lot level. You can select and duplicate items to create an outline. You can do this in one of two ways:
 - Select the checkbox of the item you want to duplicate and choose Copy.



Note: If you create a bid invitation from the sourcing application, you cannot add new items.

- Select the checkbox of the item you want to copy and click the Duplicate Selected Item button.



Note: The copy of the item appears at the bottom of the item list. If you duplicate an outline item, the copy of the item appears at the bottom of the outline list, not at the bottom of the overall list.

- **Confirmation of bidder's participation:** When bidders receive notification to participate in an RFx, they can indicate their intention to participate (participate, do not participate, or tentative). Because the preparation of bids can be time consuming, bidders often submit their bids close to the submission deadline. But purchasers then do not know how many bids they'll receive and from whom. With the new functionality, purchasers can obtain this information early, so they can anticipate and plan accordingly. For example, purchasers could invite additional bidders if they receive too many refusals.
- **Revision Levels:** SAP SRM offers an option to enter the revision level on all business objects and on the product ID. The Revision level is validated against values in the related backend system.
- **Automatic Creation of a Temporary Contact Person:** When a new bidder is transferred into the bidding engine or live auction via the open partner interface (OPI), a temporary contact person is automatically created using data from the source directory and default settings. The purchaser must confirm the creation in a pop-up. A user ID and password are generated automatically and sent to the temporary contact person. This process increases usability and efficiency by removing a manual step to create a contact person.



Note: This process creates a temporary contact person for bidding purposes, but does not create a corresponding portal user.

Bidding Functionality for Services

The following bidding functionality for services are available as of SRM 7.0:

- **Service RFx Creation:** As of SRM 7.0 it is now possible to create RFx with Service Hierarchies and Service Limits. SRM RFx is now compatible with materials management external service management (MM-SRV). A service RFx can be initiated in one of the following methods
 - Triggering of RFx creation directly from an ECC purchase requisition.
 - Creation of an RFx from an ECC purchase requisition with limits.
 - Creation of an RFx through the new CPPR (Collective Processing of Purchase Requisitions).
 - Manual Creation of a Service RFx.

- **Hierarchical Structure of Line Items:** As of SRM 7.0 it is possible for RFx in SRM and RFx Response in SRM to support hierarchical structures for services. The hierarchical structure of outlines and line items provide the framework to enhance service procurement capabilities in SAP SRM.
- **Purchaser-defined line types supported in RFx events:** When an RFx is created with reference to an MM-SRV PR that has line-type indicators specified (line types, alternatives, or line categories), the UI displays these line type indicators for the RFx and the RFx response. To ensure that the SAP ERP functionality of line-type indicators in MM-SRV is reflected in the SRM RFx and RFx response, the following functionality is supported:
 - **Standard Line:** This line is the standard or normal case. It describes a service with a short text, a quantity, and a unit of measure
 - **Blanket Line:** This item describes a lump-sum service to which the standard quantity '1' is automatically assigned
 - **Contingency Line:** This line type describes a service that is not essential to the execution of the order or contract and which is only commissioned if it should subsequently transpire to be necessary
 - **Alternatives:**
 - No Alternative:** This line type describes a service that cannot be performed in alternative ways
 - Basic Line:** This line type describes a service that can be performed in alternative ways. There are one or more alternative lines for each basic line.
 - Alternative Line:** An alternative line describes a different way of performing a service or doing work than that set out in the associated basic line.
- **Catalog access for purchaser and bidder including hierarchical service structures:**
 - Transfer of SAP ERP model service specifications to the catalog of the SAP NetWeaver Master Data Management component is now possible. When maintaining the RFx, the purchaser can transfer outlines, including the entire structure below, from the catalog into the RFx.
 - The bidder can transfer items from a catalog into the RFx response if adding further items is allowed
- **Modifying structure with initial Purchase Requests from ERP:**
 - It is not possible to delete or move outlines / line items in the RFx which have initially been created in the Purchase Request
 - When a Purchase Request from ERP is sent to SRM the Purchaser has the option to modify the structure by adding further outline and line items

- In the RFx Response the Bidder has the option to add additional Line Items or transfer items from the catalog or add service hierarchy items from a Service Catalog into the RFx response
- This feature needs to be enabled by the Purchaser by activating the checkbox “Bidder can add new items” when creating the RFx. The existing capability has been extended for outlines
- **Lotting with and without initial Purchase Request from ERP:**
 - **RFx created from scratch or from Shopping Cart:**

Allows the Purchaser to create lots on all levels of the hierarchy and to award on all levels (except levels below lots).

If a lot is defined, the bidder must enter the price on all items within the lot

Awarding is only possible for the entire lot but not on line item basis. If no lot then can award on all levels

It is possible to define more than one lot in a RFx, but only one in the same hierarchy path
 - **Lotting and Awarding with initial Request from ERP:**

When a Purchase Request from ERP is transferred into SRM the entire structure (everything below the Service Item type “D”) has to be handled as one unit and can’t be split in SRM. Service item (top level) shall automatically be defined as the lot.

It will be possible to combine more than one Service Item into one RFx.

Bidders must enter the price on all service lines within the lot.

Awarding is only possible for the entire lot but not on line item basis.
- **Follow-on Documents (SRM Contract, ERP PO, & ERP Contract):**
 - Now it’s possible for the system to take in consideration alternatives, substitutes, & supplements for line items and the creation of additional items entered by the purchaser or bidder. Therefore, the changes and/or addition during the bidding process are reflected in the PO or Contract.
 - Changes to the Service Line or the Outline done in SRM will be reflected in the follow-on document (PO or Contract).
 - For limits the PO, will be created with the original limit in the Service Item as in the preceding document (Purchase request).
 - The account assignment of a new service line in the follow-on document will be the same as the original service line.
 - The follow-on document (PO or Contract) will refer to the original Request or will reflect the correct Line Type indicators, & Bidder Line indicator.
- **Value Limits:**

- It is now possible to create an RFx based on a Service Item (Item type D) or outline that includes a limit.
- When a PO is created as a follow-on document the original limit in the Purchase request shall populate the limit in the corresponding Service Item or line item in the PO.
- The value of the limit in the follow on PO is being the same as the corresponding value of the original limit in the Purchase request.



Create RFx

RFx Number: 9000000052 RFx Name: SRMBUYER30 19.05.2009 02:54 Type: RFx Status: In Process Created On: 19.05.2009 02:54:43 Created By: SRM BUYER-30

Number of Items: 0 Version Number Version Type: Active Version External Version Number

Close | Save | Publish | Check | Export | Print Preview | Import

RFx Information | Bidders | Items | Notes and Attachments | Weights and Scores | Approval | Tracking

RFx Parameters | Questions | Notes and Attachments

Identification

RFx Name: SRMBUYER30 19.05.2009 02:54
 RFx Type: RFx
 Product Category:
 Publication Type: Public RFx

Organization

Purchasing Organization: PH1 Purchasing Department LOCAL
 Purchasing Group: Local P.Grp Dept 30 [Show Members](#)

Event Parameters

Currency: USD
 Target Value: 0.00 USD
 Detailed Price Information: Simple Price
 Follow On Document: Purchase Order or Contract
 RFx Respondent Can Change RFx Responses: ☒
 Allow Multiple RFx Responses per Company: ☒
 Display Weighting to RFx Respondents: ☐

Dates

Start Date: 00.00.00
 Submission Deadline: 00.00.00
 Opening Date: 00.00.00
 End of Binding Period:
 Valid from/to: -

Partners and Delivery Information

Details | Add | Send E-Mail | Call | Clear

Function	Number	Name
Requester	966	SRM BUYER-30
Goods Recipient		
Delivery Point		
Location		

Close | Save | Publish | Check | Export | Print Preview | Import

Figure 129: Manual RFx Creation

Sending Out the Bid Invitation

Once you are finished entering data in your bid invitation, you:

- **Check** the contents of the bid invitation to make sure that you have completed all mandatory fields (these fields are marked as being mandatory) by choosing the *Check* button at the top of the screen.
- **Save** your bid invitation by choosing *Hold*.
- **Complete** the bid invitation This means that the bid invitation has been completed and checked and is ready to publish.
- **Publish** the bid invitation:
 - Bidders assigned to a restricted bid invitation receive an e-mail containing a link to the bid invitation.
 - A public bid invitation is published on the assigned portal. If you have assigned particular bidders, these bidders also receive an e-mail.

Surrogate Bidding Purchasers can enter a bid on behalf of a bidder. For example, if the bidder is not able to access the system, they can contact the purchaser, who then enters the bid on behalf of the bidder. To do this, the purchaser goes into the transaction Process Bid as Substitute, searches for a contact person and creates the bid for the bid invitation in question. The purchaser can also bid as substitute within an existing bid invitation by using the Bid as Substitute functions provided in the bidder list.



Note: To bid as substitute, the purchaser must have authorization for transaction BBP_QUOT_BOB. The first authorization level enables the purchaser to create new bids; the second authorization level enables the purchaser to change submitted bids, as well as create new bids.

Other bid invitation functions include:

- **Creating Bid Invitations as Follow-On Documents for Another Bid Invitation** You can create a bid invitation as a follow-on document for another bid invitation, if, for example, the first bid invitation did not result in any acceptable bids. When you do this, the system closes the original bid invitation and creates a new bid invitation. The original bid invitation remains in the document history for further reference.



Note: A follow-on bid invitation can only be created if the original bid invitation has been published and if no follow-on documents exist for the bids resulting from the first bid invitation.

- **Requester and delivery point:** SAP Bidding Engine suggests the current user as requester. You can overwrite the proposal. Here, and as goods recipient too, you can assign any person contained in the business partner master. You can enter any organizational unit of the business partner as delivery point if an address has been maintained.
- **Change:** You can change bid invitations for which the submission deadline has not yet been reached. However, you cannot change the purchasing organization and the document number. If you make changes to the bid invitation, you can:
 - Inform all previous bidders of these changes using Send New E-mail, or
 - Send individual bidders an e-mail using the icon on the tab page Bidder/Bids.
- **Change documents:** In the basic data view, you can display changes (for example, when a date has been changed) to the bid invitation with old and new values by choosing Display Change Documents.
- **Convert to a live auction:** The previous bidders can check their bids once again and compare them with the previous best price per item.
- **Upload and download:** You can download the entire bid invitation with all bids to your own computer and subsequently upload any changes. Documents contained in the bid invitation are not downloaded. If required, you can display the documents individually and save them to your computer.
- **Change Bid After Submitting:** Purchasers can give bidders the option of changing a bid even after they have submitted it. In this case, the purchasers do not have to send back the original bids to the bidders.
- **Close the bid invitation:** Once you have closed the bid invitation, it can no longer be changed and no more bids can be submitted. The bids already received for the bid invitation are assigned the status Completed.

Dynamic Attributes: Dynamic Attributes provide greater flexibility when seeking information about the product or service you are sourcing. Dynamic attributes refer to specific characteristics of products and services and can be incorporated into the bidding process in SAP Bidding Engine. They are used to customize bid invitations and appear as additional fields requesting specific

information. To the bidder they appear as input fields for precisely describing the products or services being offered. Purchasers can create new dynamic attributes at the header and each item directly from the bid invitation. Dynamic attributes created by the Purchaser can be specific to a particular bid invitation, or can be made available for use in other bid invitations. There are five types of attributes delivered and you can create as many additional types as you require.

[illegible]

Figure 130: RFx Questions

- Quantities
- Currency amounts
- Yes/No fields
- Text up to 130 characters
- Dates

Potential bidders can see the dynamic attributes that have been specified by the purchaser for header and item levels by choosing *Attributes* in the bid invitation. Bidders can enter information in the fields under *Reply* in the requested format (for example, date format, text format, or indicators). If the purchaser has allowed for a comment field, bidders can enter additional details under *Comment*.

In the item details of the bid invitation you can create various conditions. You can also create conditions at header level, however, these can only be discounts or surcharges. During creation of a contract from a bid that was accepted, the system transfers the conditions to the contract exactly as they were entered by

the vendor. The conditions are then available for sourcing. During creation of a purchase order from an accepted bid, the system determines the net price using price determination in accordance with the existing conditions.



Create RfX Response

RfX Response Number: 9000000011 RfX Number: 9000000053 Status: In Process Submission Deadline: 20.05.2009 00:00:00 CET Remaining Time: 0 Days 20:47:59 RfX Owner: SRM BUYER

RfX Response Version Number: Active Version RfX Version Number:

Submit Close Read Only Print Preview Check Save Export Import Q&A: 0

RFx Information Items Notes and Attachments Summary Tracking

▼ Item Overview

Details Add New Add Subline Copy Paste Delete Calculate Value

Line Number	Description	Item Type	Product ID	Product Category	Product Category Description	Required Quantity	Submitted Quantity	Unit	Price	Currency	Price Unit	Delivery Date	Total Value
0001	LCD TV	Material		Electronics		0	20	EA	0,00	USD	1	On 30.05.2009	0,00
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		
•		Material					0,000		0,00	USD	1		

Submit Close Read Only Print Preview Check Save Export Import Q&A: 0

Figure 131: Create RfX Response

Bid Responses

Creating Bids As a bidder, you can use SAP Bidding Engine to create bids in response to bid invitations and auctions. Public bids are made available on the Web and published on portals, for example. You can access the bid invitation through a hyperlink and enter the bids in the purchaser's SAP Bidding Engine system. Restricted bids are made accessible only to known bidders through e-mail. You can access the bid invitation through a hyperlink provided in the e-mail. Auctions are restricted only. You can access SAP Bidding Engine through the hyperlink provided in the e-mail, and from there you can go to the live auction. If you wish to submit a bid, you must have a user master record. You do not need a user to receive information about a bid, as registered suppliers receive this information automatically by E-mail.

Offline Bidding Suppliers can use this function to complete a bid offline and then submit it to SAP Bidding Engine. This has many advantages, for example, it:

- Reduces cost, as you no longer have to use methods such as mail or fax
- Makes bid processing quicker and more reliable, as you only need to enter data manually once
- Improves the collaboration process on the bidder side, as all parties involved can confer on the bid before it is submitted to SAP Bidding Engine

Using this function, bidders can download bid invitations as a file to your PC, process them locally, and then upload the changed document data again to the SRM application. The function is not dependent on the application program you are using. SAP delivers a tabular file structure. You can process this as a

TAB-separated file with any spreadsheet program. Using standard functions of your spreadsheet program you can optimize the view of data and the navigation in the document.

Chat: Purchasers can communicate online with bidders via chat. Purchasers can send messages to one bidder or to all bidders. Bidders can see only the messages broadcast by the purchasers, but not from other bidders. All chat messages are saved and archived with the event.

Response Modifications: Upon creation of the RFx the purchaser can enable Response modifications by checking the checkbox “Bidder Can Change Requested Items”. Response modification allows the bidder to add additional items for this Service Line at time of bid response

The response modification feature has been extended to support items also coming from a preceding MM-SRV hierarchical service requirement. This functionality applies to line items but not outlines.

When response modifications are allowed, the bidder can propose the following expressive items for either Services or Materials when creating an RFx response:

- **Alternative:** The bidder can deliver the original or another material/service
- **Substitute:** The bidder can not deliver the original but another material/service.
- **Supplement:** The bidder wants to add further materials/services in addition to the original item.



Note: In case of Alternative or Substitute the original item will simply be exchanged with the new item. In case of supplement the supplement item will be added at the same level as the original item

Allowing response modification items to fulfill original SAP ERP purchase requisition items The bidder can replace items (as part of response modification). These changes will be reflected in the follow-on SAP ERP PO or ERP Contract. An accepted response modification item (alternative or substitute) replacing an original item coming from a preceding PR fulfills the original item based on the quantity in the accepted quote. In case of Alternative or Substitute the original item will simply be exchanged with the new item. In case of supplement the supplement item will be added at the same level as the original item

Bid Withdrawal The purchaser now has the ability to allow the bidder to withdrawal their bids. Purchasers can't access or award a bid that has been withdrawn. Bidders can reactivate a withdrawn bid. This function may come in handy if a purchaser modifies the RFx after the bidder has submitted a bid. If the bidder can't deliver the modified product, the bidder can withdraw the bid.

Another example: After submitting a bid, an emergency situation might occur on the bidder's side, such as a discovery of product defects or a production line stoppage. The bidder would then need to withdraw the bid.



Note: The bidder can only withdraw a bid if the submission deadline has not yet occurred or the bid has not been accepted or rejected

Versioning of Bids When a bidder modifies a bid after submitting it, a new version of the bid is created. Changes between two versions can be compared, but only the latest bid is valid and can be accepted or rejected by the purchaser.

Bid Evaluation

Weighting and Ranking You can use the weighting and ranking functions to evaluate and compare different bids that are submitted in response to a bid invitation. You can perform these evaluations at attribute/field, item, outline and bid levels. This means you have complete freedom and flexibility in prioritizing the items and attributes in your bid invitation. Depending on the settings you choose in the bid invitation, bidders can view the weighing you have applied and can make their offers accordingly.



Hint: You must decide when you are creating a bid invitation whether or not you want to use the weighting and ranking function. If you choose not to use it, you cannot subsequently analyze the bids in terms of their scores.

Valuation factors You also assign a number of points to the attribute values you want to appear in the bid. You do this by defining a valuation function and parameters for each of the attributes or fields you wish to include in the weighting and ranking function. If you do not define these, the attribute or field is excluded from the calculations. This is apparent by the fact that the checkbox on the interface is deactivated. The valuation factor is calculated on the basis of what you define in the valuation function and the entry made by the bidder. You can also include standard fields in the valuation process, for example, Intercompany terms at header level or Price at item level. Default values can be maintained for the standard field in customizing.

There are four valuation functions to calculate valuation factors:

- **Linear:** This function is especially suitable for amount fields. The parameters of this function are minimum and maximum attribute values together with minimum and maximum function values. If a bidder enters a value that is outside of the defined range, the minimum or maximum value accordingly is taken as the score value. For example in a price field the following values can apply:

Minimum attribute value = 1,000 USD

Maximum attribute value = 9,000 USD

Maximum number of points = 100

Minimum. number of points = 0

If the bidder enters a price of 1000 USD or less, this will generate a valuation factor of 100. A price of 5,000 USD will generate a valuation factor of 50 and any price equal to or greater than 9,000 USD will generate a valuation factor of zero.

- **Step:** This can be used for information such as delivery times. When you are entering the intervals, you must ensure that the new interval begins where the previous one ends, for example 1-10 and 10-20. For example, if a bidder promises delivery within 1 and 5 days, this will generate a score of 100 points. Delivery within 5 and 10 days gives a score of 50 points and between 10 and 21 days generates a score of zero.
- **Fixed:** This function is especially suitable for attributes with determined fixed values. If fixed values are defined for an attribute, the score values can be assigned to particular fixed values. For example, a purchaser may wish to buy a car of a particular color. Bidders can receive more favorable scores, depending on the colors they can deliver. For example, the following colors can generate different scores as follows:
 - Blue = 20 points
 - Red = 60 points
 - Yellow = 100 points
- **Manual:** This function is especially suitable for text fields with no fixed values. In this case, the purchaser manually values the contents of the fields in the bid document once this has been received from the bidder.


Generating Scores The bidder enters different values for the particular attributes or standard fields and submits the bid. The valuation factor and the weighting factor are multiplied together to give a score. Scores are calculated in this way at header, outline, and item levels for the individual items, and for the individual attributes of an item. You can also determine a score for the bid invitation header. This, together with the score for the items, gives you a score for the whole bid.

Each bid receives a maximum of 100 points. In this way, you have an overview of all the bids received for a bid invitation and can quickly determine the winning bid or bids.


Ranking Scores You can view and compare, at a glance, all the information you receive as part of the bids. You can use this view and compare function once you start to receive bids for your bid invitation and the opening date has been reached. All the scores that have been calculated at the different levels are clearly sorted and displayed. To get the best overview for your requirements, you can include or exclude certain bids in the overview, and freeze the information from certain bidders to allow for easier comparison with the other bidders.

In the figure below, you can see how the overall score for an item is calculated. The item in the example has been given a weight of 60% within the bid as a whole. Three attributes have been used to generate a score for that item. The scores for the individual attributes are calculated using the weight assigned to them multiplied by the valuation factor. This factor is calculated on the basis of the valuation function defined for the attribute and the actual value entered by the bidder in the bid document.

	Attribute	Weight	Value	Valuation Factor*	Score	Item Score
Item 1		60%			83	49.8
	Price (USD)	50%	1200	90	45	
	ISO 9000	30%	Yes	100	30	
	Delivery time in days	20%	14	40	8	

 **Note:** Value is derived from bidders entry

Awarding the bid on the Comparison View Within the comparison view the purchaser can compare all received bids at a glance. Once the decision has been made, the purchaser can accept some or all of the line items or reject the entire bid directly from the comparison overview page.

 **Note:** Within the Comparison view it is also possible to download the results to Microsoft Excel.

Live Auctions

Purchasers can use the SAP Bidding Engine to create live auctions for products and services. The live auction itself takes place in the Live Auction Cockpit. There are several ways to create a Live Auction:



RFx	Reverse Auction
<ul style="list-style-type: none"> ■ RFx and bids can include price and nonprice variables. ■ Supplier responses generally take longer because they are more comprehensive (days or weeks). ■ Typically, no information is disclosed to the suppliers with regard to the competition. ■ RFx is suited for a large variety of goods and services, including direct materials, services, and indirect spend. ■ Sourcing is based on total value proposition, including supplier capabilities and total cost of ownership (TCO), as opposed to price only. 	<ul style="list-style-type: none"> ■ Bidding is based on price only. ■ Reverse auction is active for only a short period (hours). ■ Rank, best bid, and next bid can be displayed in real time. ■ Reverse auction is better suited for commodities, as well as goods and services with standard attributes that vary little from supplier to supplier. ■ Market dynamics of auctions work best when buyer-supplier relationships are loosely coupled.

Figure 132: RFx compared to Auction

- **Manually**, as an initial step in SAP Bidding Engine
- **By converting a bid invitation to a live auction.** If you convert a bid invitation to an auction, any attributes, bids that have already been submitted or collaborations contained in the bid invitation are not transferred to the live auction. Bid invitations for which the detailed price indicator has been set cannot be converted to a live auction.
- **From the Sourcing application.** If you create an auction from the sourcing application, you cannot add new items.

At both the header and item level, you are able to define auction data that provide information and control the auction behavior, for example start and end dates. The following are examples of the data that you can define at the auction header and item levels:

Basic Data in Auction Header

Field	Description
Binding Period	The bidder makes a commitment that the bid is valid until this date.
Currency	Currency is set at the header level for the entire auction.
Bid Decrement	This determines whether the next bid submitted in an auction is to be lower than the previous bid by an amount or a percentage. You define the actual values for bid decrement at the item level.

Bid Validation	Each auction transaction type has a bid validation parameter associated with it. You can override the default by selecting a different bid validation parameter. Note that if you change the bid validation logic for an auction, you should also review the selected information disclosure rules under Bidder View. This is to ensure that the cockpit for bidders does not include information that should be hidden or is irrelevant for the auction type.
No bid monitoring until first valid bid	If selected, the system will not display any item pricing information (for example, the next valid bid) to bidders until they themselves have first submitted a valid bid.
Tied Rank Possible	If left unselected, the system will use the timestamps associated with bids of the same value as tie breakers to determine the validity and rank of each bid. If selected, then multiple bids of the same value will be given the same rank.
Proxy Bidding	If selected, the system acts as a proxy agent and automatically bids on line items on a bidder's behalf during the auction. The system places bids according to bidding parameters such as bid decrement and reserve price to maintain the bidder's leading position in an active auction until the auction ends or the bidder's minimum bid is reached.
Settings for Cascading Line Items	<p>If selected, the system enables cascading bidding on lots and line items; lots and line items open to bidding at the same time but close to bidding one at a time based on the following time parameters you define:</p> <p>Initial Duration: This refers to the time between the overall auction start date and the end date of the first lot or line item.</p> <p>End-time Gap: This refers to the time (in minutes) between the end dates of lots or line items.</p>
Settings for Automatic Extension	By defining the following parameters, you can set up the auction so that the system will automatically extend it if bids are received shortly before the originally scheduled end date and time. You can also manually extend the auction, once active, via the cockpit.

Item Data in Auction

Field	Description
Items	You can transfer items from a catalog, transfer products individually from the product master, or enter items directly in the list. You can define whether products replicated as material from the backend system and assigned to a plant can be ordered as direct material.
Start Price	This represents the minimum initial bid price for an item. The system uses the defined start price to qualify bids received.
Reserve Price	This represents the highest price the purchaser is willing to pay for an item. Depending on the auction settings, reserve price indicators may be displayed in the cockpit for bidders, but not the price itself.
Reference Price	This represents the current or historical price paid for a product or service. The system uses the defined reference price to calculate the savings information displayed in the cockpit.
Bid Decrement	This gives the actual amount or percentage, depending on the setting under Header Data, by which the next bid submitted in an auction is to be lower than the previous bid.
Price Unit	You can define a price unit on the item detail page.

Live Auction Transaction Types Auction transaction types act as auction profiles, defining the initial bid validation and information disclosure rules for the auction. The following predefined auction profiles are available as transaction types:

- English Auction
- Blind Bidding Auction
- Rank Only Auction
- Company Best Bid Auction
- Dutch Auction (As of SRM 7.0)

The bid validation logic associated with each transaction type controls the way in which the system validates each incoming bid for an auction. Although you cannot change the transaction type of an auction, you can select a different bid validation parameter until such time as the auction becomes active.

Bid validation occurs at the line item level. If bids are entered and submitted for several line items at once, the system still validates them individually at the item level. To validate a new bid, the system compares it to the appropriate value, as defined by the validation logic, and determines whether it is valid or invalid. If valid, the system saves the bid price to the auction data and instantly updates

all relevant information in the Live Auction Cockpit, for both purchasers and bidders. If the bid is deemed invalid, the system sends a message to the bidder informing him or her that the bid was rejected. The following table describes the default bid validation options:

Bid Validation Logic	Description	Used by Transaction Type
Overall Best Bid	<p>Each new bid submitted is compared by the system to the current overall best (lowest price) bid.</p> <p>There is no distinction between bidders or companies with this logic. The lowest price among all bids submitted by all bidders is considered the best bid. Bid ranking follows this logic as well – the lowest bid price is equal to rank one, and so on.</p> <p>If no best bid value exists, so for the first bid submitted in an auction, the bid price gets validated against the start price.</p>	English Auction

Bid Validation Logic	Description	Used by Transaction Type
Best Bid From Each Bidder	<p>Each new bid submitted is compared by the system to the current best bid by the submitting bidder.</p> <p>Although this logic pits bidders against themselves, the bid ranking is still across all bids and bidders. So even though a bid is considered valid, it is not equal to rank one unless it is the lowest bid overall.</p> <p>If it is the first bid submitted by a bidder, the bid price gets validated against the start price.</p>	Blind Bidding Rank-Only
Best Bid From Each Company	<p>Each new bid submitted is compared by the system to the current best bid by the company of the submitting bidder.</p> <p>Although this logic pits bidders against other bidders in the same company, the individual bid ranking is still across all bids and companies. So even though a bid is considered valid, it is not equal to rank one unless it is the lowest bid overall.</p> <p>Company rank however, is calculated across the auction using the best bid from each company. It is possible for a bidder to have a rank lower than his or her company rank but not higher.</p> <p>If it is the first bid submitted by any bidders in the same company, the bid price gets validated against the start price.</p>	Company Best Bid

Each transaction type is associated with certain information disclosure rules that control the level of information displayed to bidders in the Live Auction Cockpit. Although you cannot change the transaction type of an auction, you can select different information parameters until such time as the auction becomes published.

The following table describes the information disclosure parameters that can be selected on the Bidder View tab page as well as which transaction types include each parameter by default:

Bidder View Parameter	Description	English Auction	Blind Auction	Rank Only	Company Best Bid
Do not display reserve price	Indicates that the reserve price column is not included in the line item table for bidders.	X	X	X	X
Do not display company ranking	Indicates that the company rank column is not included in the line item table for bidders.	X	X	X	
Do not display ranking	Indicates that the rank column is not included in the line item table for bidders.		X		
Do not display best bid price	Indicates that the best bid column is not included in the line item table for bidders.		X	X	
Do not display best company bid price	Indicates that the company best bid column is not included in the line item table for bidders.	X	X	X	
Do not display next bid price	Indicates that the next valid bid column is not displayed in the line item table for bidders.		X	X	

Hide ranking, display first place only	Indicates that the rank column is displayed in the line item table but that it is not populated with any values until or unless the bidder is ranked one. If both this rule and the Do not display ranking rule are deselected, then this rule takes precedence.	X		X	X
Do not display company names in bid history	Indicates that other company names will not be populated in the bid history table for bidders. Only a bidder's own bids will include the company information.	X	X	X	X
Do not display bidder name in bid history	Indicates that other bidder names will not be populated in the bid history table for bidders. Only a bidder's own bids will include the name information.	X	X	X	X
Do not display bid price in bid history	Indicates that the bid history table includes a record of all bids received, but that the price field will only be populated for a bidder's own bids and not for the bids submitted by other bidders.		X	X	
Do not display extension details	Indicates that the extension details are not available for bidders.				

Do not display number of participating bidders	The number of participating bidders is considered to be the number of invited bidders minus any banned bidders.				
Do not display bids from other bidders in bid history	Indicates that only a bidder's own bids will be included in the bid history table for bidders.		X	X	
Do not display bid chart	Indicates that the Bid chart will not available to bidders.		X	X	
Do not display bid volume chart	Indicates that the Bid Volume chart will not available to bidders.				
Do not display best bid per bidder chart	Indicates that the Best Bid per Bidder chart will not available to bidders.	X	X	X	X
Bidders cannot send chat messages	Indicates that the chat feature will be disabled for bidders.				

- Cascading Line Item Auctions** Cascading line item auctions make the bidding process more efficient for bidders and thus promotes competitive bidding. In cascaded auctions, lots and line items open to bidding at the same time but close to bidding one at a time based on parameters set by the purchaser. Therefore, rather than monitoring and bidding on all lots and line items simultaneously, bidders can focus their attention on a single lot or line item at a time.

In order to set an automatic extension in a cascaded auction, the minimum duration and end-time gap must be greater than the auction inactivity period defined. Auction extensions affect active cascading lines only; end-times are recalculated while maintaining the defined end-time gap between cascading lines.

- Factored-Cost Bidding** Factored-cost bidding enables the purchaser to assign a competitive advantage or disadvantage to bidders through the use of adders and multipliers defined at the auction header level, item level, or both. If factors exist at both the header and item levels, the values assigned at the item level have precedence over those at the header level. In auctions

with lotting, factors cannot be assigned to line items included in lots but are instead assigned at the lot level and header level; any lot-level factors take precedence over those defined at the auction header. You can assign factors during auction creation and until the auction becomes active, after which no further changes to factored-cost bidding settings are allowed.

Factors are not visible to bidders, nor are the effects of factored-cost bidding. The bidders see only the transformed auction price information in the Live Auction Cockpit and their own raw bid prices (based on the transformed next valid bid price). Purchasers can choose to view the auction and bid price information in either raw or normalized values. To see the transformed values displayed for a particular bidder, purchasers can logon as that bidder as they would when submitting surrogate bids.

- **Lotting** You can create lots via the outline mechanism to group related line items in order to structure complex auctions. Lots give bidders the flexibility to distribute bid price among line items in the lot, thus promoting competitive bidding.

Factored-cost bidding can be used in auctions with lotting; for those line items included in lots, factors are assigned at the lot level. Any lot-level factors take precedence over those defined at the auction header level. When converting a bid invitation with lots into an auction, bids with conditions are not copied to the auction.

Bidders must bid on every item in a lot before they can submit their bid; bid prices entered at the line item level are aggregated at the lot level where bid validation, comparison, and monitoring occur. Bid ranking is based on the total bid value of the lot.

- **Multiple Bid Currency Auctions** You can define multiple acceptable bid currencies at the auction level, per auction, to enable bidders to bid on an auction in a currency other than the auction currency you set. This function makes the bidding process more efficient for bidders by allowing them to bid in their currency of choice.
- **Automatic Creation of a Temporary Contact Person** When a new bidder is transferred into the bidding engine or live auction via the open partner interface (OPI), a temporary contact person is automatically created using data from the source directory and default settings. The purchaser must confirm the creation in a pop-up. A user ID and password are generated automatically and sent to the temporary contact person. This process increases usability and efficiency by removing a manual step to create a contact person



Note: This process creates a temporary contact person for bidding purposes, but does not create a corresponding portal user.

- **Proxy Bidding** Proxy bidding enables the system to automatically bid on a bidder's behalf, promoting competitive bidding by allowing bidders to more easily monitor the auction, since it is not necessary for them to enter bids manually.

When proxy bidding is enabled, bidders submit a minimum bid to indicate the lowest they are willing to submit for a line item. The system then acts as a proxy agent and rapidly bids on line items on the bidder's behalf during the auction, placing bids according to bidding parameters such as next valid bid, bid decrement, and reserve price to maintain the bidder's leading position in an active auction until the auction ends or the minimum bid is reached.

➔ **Note:** Proxy bidding can only be enabled for auctions that use the overall best bid validation.

➔ **Note:** Proxy bidding can only be enabled if bid decrements greater than zero have been defined on all line items.

➔ **Note:** Proxy bidding is not available in auctions with lots.

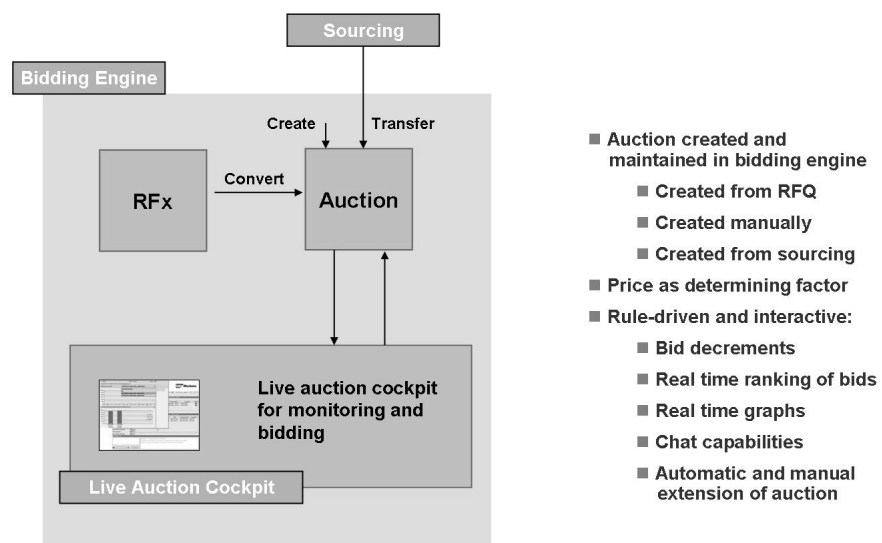


Figure 133: Live Auction

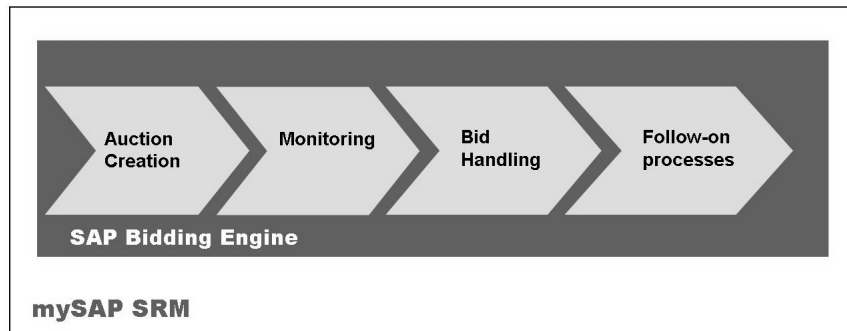


Figure 134: Live Auction Process

Auction Creation

- Convert RFQ into auction
- Transfer from sourcing cockpit
- Manual auction creation
- Maintain auction-specific parameters

Monitoring

- Multiple live auction entry points
- Monitor auction activity
- Chat
- Auction status interaction

Bid Handling

- Submit bids
- Bidding rules

Follow-on Processes

- End auction
- Accept or reject bids
- Workflow approval
- Create PO or contract

The Live Auction Cockpit provides a real-time environment for direct bidding on reverse live auctions, which are typically fast-paced and highly competitive. Live auctions simulate the experience of an actual auction by utilizing technology to provide instantly-updated information on all auction activity. Live auctions are handled by a J2EE-compliant applet that is fully integrated with SAP Bidding Engine and that cannot be implemented independently.

Both purchasers and bidders can monitor one or more auctions and the associated bidding activity in real-time. The cockpit displays continually updated auction data, including item price information and charts, to reflect each new bid received as well as any status or time changes.

Purchasers have the option of manually starting, pausing, resuming, extending, and ending the auction directly from the cockpit interface. There is a full range of bid management tools including activities such as deleting bids, banning or reinstating bidders, and surrogate bidding.

A participants list provides the purchaser with the connection status per bidder and company as well as access to vendor details. Purchasers can send chat messages to individual participants or to all participants while bidders can only chat with purchasers.



Live Auction Cockpit

Name : SRMBUYER30 19.05.2009 03:42
 Number : 1000000000
 Rule Profile : Reverse auction with broken lot, full quantity, anonymous bidding
 Requester : SRM BUYER-30
 Description :

Start Date : 05/18/2009 PM 9:46:00 GMT-04
 Status : Active
 Currency : USD

Bidding on Item 1-Plasma TV
 Current Price : 800.00USD
 Time Remaining : 00:04:09
 Next Valid Bid : 825.00USD
 (Before Next Price Increase)
 (Below Reserve Price)

Close Item

Item	Description	Quantity	Unit	Price Unit	Start Price	Reserve Price	End Price	Bid Increment	Time Increment	Final Bid Price	Reference Price	Savings	Savings (%)	Item Status
1	Plasma TV	50	Each	1	800.00	1,200.00	1,200.00	25.00	5	-	1,200.00	-	-	Active

☒ Raw Prices
 ☐ Normalized Prices
 Total Costs: 0.00
 Total Savings: 0.00
 Savings:

☒ Details
 ☐ Factors
 ☐ Winning List

Details for Item 1 - Plasma TV

Quantity	50	Start Price	800.00
Unit	Each	Reserve Price	1,200.00
Price Unit	1	End Price	1,200.00
Bid Increment	25.00	Revision Level	
Time Increment	5	Supplier Text	

Participants

Chat and System Messages

05/18/2009 PM 9:46:01 GMT-04 [System]: Auction status has changed from Published to Active

Figure 135: Live Auction Purchaser View

Live Auction Reporting From the Live Auction Cockpit, you can access several reports to assist in auction analysis. From the Analysis tab of the auction details, you can download a completed auction's bid history into an Excel or CSV file for offline analysis. In addition, you can schedule the transfer of data from completed

auctions from SAP Bidding Engine to SAP BW for analysis across auctions. The following aggregate reports can be accessed from the application navigation panel in SAP Bidding Engine:

- **Auctions Analysis** Provides aggregated information about auctions, including total cost and cost savings by product header category and time
- **Auction Items Analysis** Provides aggregated information about products in auctions, including total cost and cost savings by product, product header category and time
- **Bidders Analysis** Provides aggregated information about the behavior of bidders, including total cost and cost savings by bidder, product, product header category and time
- From the aggregate reports, you can access two detailed reports:
 - **Auction Details** Provides detailed information about a single auction
 - **Detailed Analysis of Bids by Category** Provides detailed information about the bids placed for a specific product or product category

Bidding Engine Integration

SAP bidding engine is integrated with:

- Sourcing application of the purchaser and contract processing
- SAP Enterprise Portal
- SAP Supplier Self-Service

SAP Supplier Self-Services allows a single point of access to SAP Bidding Engine through which bidders can submit bids

- SAP Business Information Warehouse

Functionality enables access to historical data in the SAP NetWeaver Business Intelligence component. Such as Supplier Evaluation, bidding history, and tracking savings.

- SAP Product Lifecycle Management

SAP Bidding Engine supports integration with SAP Product Lifecycle Management (PLM) cFolders 2.0 or higher. Once SAP PLM cFolders has been installed, purchasers can create a folder there to store information and share it with potential suppliers. A template function is also available for both parties. This information includes, for example, specifications and design documents on particularly complex goods or services for which a bid invitation is being issued. Bidders can store information about their offer in a private area of the folder. From here, it can be reviewed by the purchasing side and the bidder in question. Confidentiality is assured as the information is accessible only to those parties.

- SAP ERP System

RFx and auctioning are integrated into procurement process in the backend enterprise resource planning (ERP) software. Receive requirements from the back-end ERP software, either through the sourcing cockpit or directly from the purchase requisition in SAP ERP. There's also the ability to create follow-on documents in the back-end ERP software.

- It can also be integrated with:
 - Product catalogs
 - Contracts (Contract renegotiation)
 - External requirements

Exercise 25: Create a Bid Invitation

Exercise Objectives

After completing this exercise, you will be able to:

- Manually create a bid invitation using the bidding engine

Business Example

Occasionally, buyers need to request quotes from suppliers as part of the strategic sourcing process.

Task: Create a Bid Invitation

Manually create a bid invitation using the bidding engine.

1. You are interested in finding new sources for business cards. Create a bid invitation for **500 two-color business cards**. You will require the bidders to specify whether or not they can accommodate next-day delivery, by creating a dynamic attribute in the item details. This restricted bid invitation will be sent the vendors **ARAMI-##** and **MCCOY-##**. The deadline for the bids is one week from today.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Solution 25: Create a Bid Invitation

Task: Create a Bid Invitation

Manually create a bid invitation using the bidding engine.

1. You are interested in finding new sources for business cards. Create a bid invitation for **500 two-color business cards**. You will require the bidders to specify whether or not they can accommodate next-day delivery, by creating a dynamic attribute in the item details. This restricted bid invitation will be sent to the vendors **ARAMI-##** and **MCCOY-##**. The deadline for the bids is one week from today.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- b) Choose *Strategic Purchasing* → *Strategic Sourcing* → *RFx* (under Create Documents)
- c) Select the RFx Type **BID (RFx)**
- d) Choose *Start*.
- e) Enter **Group##** as the *Bid Invitation Name*.
- f) Enter **one week from today** in the *Submission Deadline Date* field.
- g) Choose the *Bidders* tab
- h) Enter **ARAMI-##** in the *Add Bidder by Company ID* field and choose *Add*.
- i) Select all contacts and choose *OK*
- j) Enter **MCCOY-##** in the *Add Bidder by Company ID* field and choose *Add*.
- k) Select all contacts and choose *OK*
- l) Select the *Items* tab.

Continued on next page

- m) Enter **500 2-Color Business Cards** in the *Description* field.
- n) Select **LOCAL1** in the *Product Category* field
- o) Enter **1** in the *Quantity* field.
- p) Enter **BOX** in the *Unit* field
- q) Enter **one month from today** in the *Delivery Date* field.
- r) Hit **Enter** on your keyboard to confirm your entries
- s) Select *Details*
- t) Choose the *Questions* tab.
- u) Choose *Add Questions*.
- v) Choose *Create Questions* tab.
- w) Enter **Next day delivery** in the *Question* field.
- x) Select *Yes/No Field* as the *Question Type*.
- y) Select *Required*.
- z) Select *Comment in Bid*
- aa) Choose *Add*
- ab) Choose *Check* to verify there are no errors.
- ac) Choose *Publish*

You will receive a message that your RFx was published.



Note: Write down the RFx number. You will need this for the next exercise.

- ad) Choose *Close*
- ae) Choose *Log off*

Exercise 26: Submit and Accept Bids

Exercise Objectives

After completing this exercise, you will be able to:

- Submit a bid in response to a restricted bid invitation
- Accept a bid and convert it to a purchase order

Business Example

You want to send bid invitations to your suppliers using the bidding engine. This strategic sourcing activity will help reduce your overall spending and ensure that your vendor's prices remain competitive.

Task 1: Submit a Bid

Acting as a bidder, you will create a bid in response to a bid invitation sent to you by the strategic purchaser.

1. Acting as the contact person for the vendor **ARAMI-##**, submit a bid of \$40 in response to the bid invitation for 500 2-color business cards. You are able to deliver orders the next day.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	ARAMINGO-##
<i>Password</i>	training

2. Acting as the contact person for the vendor **MCCOY-##**, submit a bid of \$35 in response to the bid invitation for 500 2-color business cards. You are able to deliver orders the next day.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

Continued on next page

Task 2: Accept a Bid

Acting as the strategic purchaser, accept the bid from **MCCOY-##**. After accepting the bid, convert it to either a contract or a purchase order.

1. You have decided to accept the bid from **MCCOY-##** and reject the bid from **ARAMI-##**. After accepting the bid, you will have the option to create a contract or a purchase order, using the bid as the source of supply.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Solution 26: Submit and Accept Bids

Task 1: Submit a Bid

Acting as a bidder, you will create a bid in response to a bid invitation sent to you by the strategic purchaser.

1. Acting as the contact person for the vendor **ARAMI-##**, submit a bid of \$40 in response to the bid invitation for 500 2-color business cards. You are able to deliver orders the next day.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	ARAMINGO-##
<i>Password</i>	training

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	ARAMINGO-##
<i>Password</i>	training

Choose *Logon*.

- b) Choose *RFx and Auctions* → *RFx and Auctions*.
- c) Choose *Refresh* to update the eRFx Query
- d) Select the RFx from the previous exercise and choose *Register*
- e) Choose *Create Bid*
- f) Select the *Items* tab.
- g) Enter **40** in the *Price* field.
- h) Choose *Details*
- i) Choose the *Questions* tab
- j) Select *Yes*
- k) Choose *Submit* .
- l) Choose *Close*
- m) Choose *Log off*.

Continued on next page

2. Acting as the contact person for the vendor **MCCOY-##**, submit a bid of \$35 in response to the bid invitation for 500 2-color business cards. You are able to deliver orders the next day.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

Choose *Logon*.

- b) Choose *RFx and Auctions* → *RFx and Auctions*.
- c) Choose *Refresh* to update the eRFx Query
- d) Select the RFx from the previous exercise and choose *Register*
- e) Choose *Create Bid*
- f) Select the *Items* tab.
- g) Enter **35** in the *Price* field.
- h) Choose *Details*
- i) Choose the *Questions* tab
- j) Select *Yes*
- k) Choose *Submit* .
- l) Choose *Close*
- m) Choose *Log off*.

Task 2: Accept a Bid

Acting as the strategic purchaser, accept the bid from **MCCOY-##**. After accepting the bid, convert it to either a contract or a purchase order.

1. You have decided to accept the bid from **MCCOY-##** and reject the bid from **ARAMI-##**. After accepting the bid, you will have the option to create a contract or a purchase order, using the bid as the source of supply.

Launch SAP SRM and enter the following information:

Continued on next page

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Strategic Purchasing* → *Strategic Sourcing*
- c) Choose *Refresh* on the worklist overview
- d) Select the bid invitation named **Group##**.
- e) Choose *Responses and Awards*.



Hint: You can download the bids to Microsoft Excel for review, or analyze bids in the SAP Business Information Warehouse.

- f) Choose the *Response Comparison* tab
- g) Choose *Compare All Responses*
- h) Choose *Edit*
- i) Choose *Reject All* for the bid from **ARAMI-##**
- j) Choose *Accept All* for the bid from **MCCOY-##**
- k) Choose *Award*

You will receive a message that the RFx response was accepted.

- l) Choose *Refresh*
- m) Choose *Back to Response Comparison Main View*
- n) Choose the RFx you accepted from **MCCOY-##**
- o) Choose *Create Purchase Order*
- p) Choose PO Document Type **EC** and then choose *Create Purchase Order*
You receive a message that a Purchase Order was created.
- q) Choose *Close* 3 times

Exercise 27: Create a Bid Invitation for Services

Exercise Objectives

After completing this exercise, you will be able to:

- Manually create a bid invitation for Services with a Hierarchy using the bidding engine.
- Submit Bids for Services with a Hierarchy as a Supplier
- Accept a Bid for Services and create a follow-on document

Business Example

Occasionally, buyers need to request quotes from suppliers for services as part of the strategic sourcing process.

Task 1:

Create a Bid Invitation for Services

1. You are interested in finding new sources for Consulting Services. Create a bid invitation for a Senior Consultant and a Junior Consultant. This restricted bid invitation will be sent the vendors ARAMI-## and MCCOY-##. The deadline for the bids is one week from today.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Task 2:

Submit and Accept Bids for Services

1. Acting as the contact persons for the vendors, submit the following bids in response to the bid invitation item for Senior Consultant Services and Junior Consultant Services.

Supplier	Senior Consultant	Junior Consultant
Aramingo-##	\$200/HR	\$160/HR
McCoy-##	\$185/HR	\$150/HR

Continued on next page

Launch SAP SRM and enter the following information:

Logon Data for ARAMINGO-##:

<i>User ID</i>	ARAMINGO-##
<i>Password</i>	training

Logon Data for MCCOY-##:

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

Task 3:

Accept a Bid for Services

1. You have decided to accept the bid from **MCCOY-##** and reject the bid from **ARAMI-##**. After accepting the bid, you will have the option to create a contract or a purchase order, using the bid as the source of supply.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Solution 27: Create a Bid Invitation for Services

Task 1:

Create a Bid Invitation for Services

1. You are interested in finding new sources for Consulting Services. Create a bid invitation for a Senior Consultant and a Junior Consultant. This restricted bid invitation will be sent the vendors ARAMI-## and MCCOY-##. The deadline for the bids is one week from today.

Launch SAP SRM and enter the following information:

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Choose *Strategic Purchasing* → *Strategic Sourcing* → *RFx*
- c) Select Transaction Type **BID (RFx with Serv. Hier.)**
- d) Choose *Start*
- e) Enter **Service Group##** as the *Bid Invitation Name*
- f) Enter **One week from today** as the *Submission Deadline*
- g) Choose the *Bidders* tab
- h) Enter **ARAMI-##** in the *Add Bidder by Company ID* field and choose *Add Bidder*





Note: If there is more than 1 contact person for this vendor, add all of them.

- i) Enter **MCCOY-##** in the *Add Bidder by Company ID* field and choose *Add Bidder*



Note: If there is more than 1 contact person for this vendor, add all of them.

Continued on next page

- j) Select the *Items* tab
- k) Choose *Add Line → Outline*
- l) Select the Outline item *0001* to enter the details.
- m) Enter **Consulting Services** as the *Description* in the Outline item details.
- n) Enter the *Product Category 007* (Services).
- o) Enter the *Delivery Date From Four weeks from today*
- p) Choose *Add Subline → Service*
 -  **Note:** If you have maintained a Service Hierarchy Catalog in SRM-MDM, you could choose *Add Subline → Service Catalog* and add service items from the catalog.
- q) Select the subline item
- r) Enter **Senior Consultant** in the *Description* field.
- s) Enter a quantity of **200** with **HR** as the unit of measure.
- t) Choose *Add Subline → Service*
- u) Select the second subline item
- v) Enter **Junior Consultant** in the *Description* field.
- w) Enter a quantity of **200** with **HR** as the unit of measure.
- x) Choose *Check*
- y) Choose *Publish*
 -  **Note:** Write down the Bid Invitation number:
- z) Choose *Close*
- aa) Choose *Log Off*

Task 2:

Submit and Accept Bids for Services

1. Acting as the contact persons for the vendors, submit the following bids in response to the bid invitation item for Senior Consultant Services and Junior Consultant Services.

Continued on next page

Supplier	Senior Consultant	Junior Consultant
Aramingo-##	\$200/HR	\$160/HR
McCoy-##	\$185/HR	\$150/HR

Launch SAP SRM and enter the following information:

Logon Data for ARAMINGO-##:

<i>User ID</i>	ARAMINGO-##
<i>Password</i>	training

Continued on next page

Logon Data for MCCOY-##:

<i>User ID</i>	MCCOY-##
<i>Password</i>	training

- a) Launch SAP SRM and enter the following information:

<i>User ID</i>	ARAMINGO-##
<i>Password</i>	training

Choose *Logon*.

- b) Choose *RFx and Auctions* → *RFx and Auctions*.
- c) Choose *Refresh* on the worklist overview
- d) Select the RFx and choose *Create Response*
- e) Select the *Items* tab
- f) Expand the service outline
- g) Select the subline for the *Senior Consultant*
- h) Enter **200** in the *Price* field
- i) Select the subline for the *Junior Consultant*
- j) Enter **160** in the *Price* field
- k) Choose *Check*
- l) Choose *Submit*
- m) Choose *Close*
- n) Choose *Log Off*
- o) Repeat steps A-N, using the data listed above for the supplier **MCCOY-##**

Task 3:

Accept a Bid for Services

1. You have decided to accept the bid from **MCCOY-##** and reject the bid from **ARAMI-##**. After accepting the bid, you will have the option to create a contract or a purchase order, using the bid as the source of supply.

Launch SAP SRM and enter the following information:

Continued on next page

Logon Data:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

- a) Choose *Strategic Purchasing* → *Strategic Sourcing*
- b) Choose *Refresh* on the worklist overview
- c) Select the bid invitation named **Service Group##**.
- d) Choose *Responses and Awards*.



Hint: You can download the bids to Microsoft Excel for review, or analyze bids in the SAP Business Information Warehouse.

- e) Choose the *Response Comparison* tab
- f) Choose *Compare All Responses*
- g) Choose *Edit*
- h) Choose *Reject All* for the bid from **ARAMI-##**
- i) Choose *Accept All* for the bid from **MCCOY-##**
- j) Choose *Award*
You will receive a message that the RFx response was accepted.
- k) Choose *Refresh*
- l) Choose *Back to Response Comparison Main View*
- m) Choose the RFx you accepted from **MCCOY-##**
- n) Choose *Create Purchase Order*
- o) Choose PO Document Type **EC** and then choose *Create Purchase Order*
- ➡ **Note:** Write down your PO number:
- p) To display the PO choose *Purchasing (2nd)* → *Purchasing Documents*
- q) Select the Query *Purchase Orders* → *Overall*
- r) Choose *Filter* and enter your PO in the *Purchasing Document* field



Hint: Hit **Enter** on the keyboard to update the Query.

Exercise 28: Live Auction Scenario

Exercise Objectives

After completing this exercise, you will be able to:

- Explain how Live Auctions can be used by purchasers to source requirements

Business Example

Your buyers want to invite suppliers to participate in an live online bidding scenario. This process will help expedite the procurement process as well as help reduce overall spend by obtaining competitive quotes from vendors.

Task:

The purchaser will create a Live Auction by converting a requirement in sourcing. After quotes are received and processed by the purchaser, the accepted response can be converted into a P.O.

1. Acting as the purchaser in SRM, create a shopping cart for 10 laser printers.

Log onto SRM with the following information:

Logon Data:

User ID	SRMBUYER##
Password	Provided by instructor

Shopping Cart data:

Description	Laser printer, B&W, 30 PPM
Category	LOCAL2
Required on	2 weeks from today
Quantity	10
Unit	EA
Name of Shopping Cart	Printers##

2. Create an Auction for the requirement of laser printers in the sourcing transaction.
3. Process and publish the Auction using the following data:

Continued on next page

Auction header data:

<i>Product Category</i>	Local Electronics (L)
<i>Start Date</i>	Current system date & time plus 5 minutes
<i>End Datea</i>	Current system date & time plus 15 minutes
<i>Bidder</i>	Arami-##

Auction item data:

<i>Start price</i>	580
<i>Reserve price</i>	500
<i>Reference price</i>	520
<i>Price reduction</i>	10

4. Log onto SRM and as the Contact person for the Supplier Arami-## and join the Live Auction.

Open a new session on Internet Explorer and log onto SRM with the following information:



Hint: Launch the new session of Internet Explorer by selecting the Internet Explorer icon, or by *Start → Programs → Internet Explorer*. DO NOT USE *File → New → Window*.

Arami Logon Data:

User ID	Aramingo-##
Password	training
Client	300

Continued on next page

Vendor bids:

Bid	Amount
1st Bid	580
2nd Bid	550
3rd Bid	500



Note: You may enter more bids if you desire.

5. Acting as the purchaser, return to SRM so you can review the bids submitted by the suppliers. You decide to accept the bid from Arami-## and create a P.O.

Solution 28: Live Auction Scenario

Task:

The purchaser will create a Live Auction by converting a requirement in sourcing. After quotes are received and processed by the purchaser, the accepted response can be converted into a P.O.

1. Acting as the purchaser in SRM, create a shopping cart for 10 laser printers.

Log onto SRM with the following information:

Logon Data:

User ID	SRMBUYER##
Password	Provided by instructor

Shopping Cart data:

Description	Laser printer, B&W, 30 PPM
Category	LOCAL2
Required on	2 weeks from today

Continued on next page

Quantity	10
Unit	EA
Name of Shopping Cart	Printers##

- a) Log onto SRM with the following information:

User ID	SRMBUYER##
Password	Provided by instructor

- b) Choose *Purchasing* → *Purchasing* → *Shopping Cart* from the menu
 c) Enter **Laser printer, B&W, 30 PPM** in the *Description* field
 d) Enter **LOCAL3** as the category



Note: The category ID is LOCAL3, the description is Local Electronics (L)

- e) Enter **10** in the *Quantity* field
 f) Enter **EA** in the *Unit* field.
 g) Enter **2 weeks from today** in the *Delivery Date* field
 h) Enter **Printers##** as the *Name of Shopping Cart*
 i) Choose the *Order* button.

Continued on next page

2. Create an Auction for the requirement of laser printers in the sourcing transaction.
 - a) Choose *Sourcing* → *Carry Out Sourcing*
 - b) Enter **LOCAL3** in the *Product Category* field and choose *Search*
 - c) Select your requirement and choose *Next*



Hint: You can sort by *Requestor* to find your requirement. Your Requestor is SRM Buyer-##.

- d) Choose *Create Draft* → *Auction*
- e) Choose *Transaction Type* **AUC1: English Auction**
- f) Choose *Process Selected Drafts*

The auction document number will be displayed on the Summary Screen.

- g) Select the auction document number to display the auction



Caution: Do not leave this screen. This is where the next step of the exercise will begin.

3. Process and publish the Auction using the following data:

Auction header data:

<i>Product Category</i>	Local Electronics (L)
<i>Start Date</i>	Current system date & time plus 5 minutes
<i>End Datea</i>	Current system date & time plus 15 minutes
<i>Bidder</i>	Arami-##

Auction item data:

<i>Start price</i>	580
<i>Reserve price</i>	500
<i>Reference price</i>	520
<i>Price reduction</i>	10

Continued on next page

- a) Choose *Edit*
- b) Enter the following on the *Auction Information* tab

Field	Data
Start date	Current date & time plus 5 minutes
End date	Current date & time plus 15 minutes



Hint: In the auction name you will see the date and time the auction was created in the sourcing transaction. Use this to determine an appropriate Start and End time for your auction.

- c) Select the *Notes and Attachments* link. You may add a note or an attachment if you wish, however it is not required
- d) Choose the *Bidders* tab
- e) Enter **ARAMI - ##** in the *Company ID* field and choose *Ad*
- f) Select the Contact for this supplier and choose *OK*



Hint: If there is more than 1 Contact, select both of them.

- g) Choose the *Items* tab and enter the following:

Field	Data
Start price	580
Reference price	520
Reserve price	500
Bid Decrement Amount	10

- h) Choose the *Check* button to make sure there are no error messages



Note: If you receive a message saying *Start Date is in the Past*, choose the *Auction Information* tab and adjust the start time in the Auction Parameters.

- i) Choose *Publish*

Continued on next page

- j) Proceed to the Live Auction Cockpit by choosing the *Live Auction* button.



Hint: Once the Live Auction Cockpit opens, you may need to adjust the frames within the screen



Hint: Notice the status of the Live Auction is **Published**



Hint: The purchaser can pause, resume, extend or end the auction using the icons within Live Auction Cockpit

4. Log onto SRM and as the Contact person for the Supplier Arami-## and join the Live Auction.

Open a new session on Internet Explorer and log onto SRM with the following information:



Hint: Launch the new session of Internet Explorer by selecting the Internet Explorer icon, or by *Start → Programs → Internet Explorer*. DO NOT USE *File → New → Window*.

Arami Logon Data:

User ID	Aramingo-##
Password	training
Client	300

Vendor bids:

Bid	Amount
1st Bid	580
2nd Bid	550
3rd Bid	500



Note: You may enter more bids if you desire.

- a) Open a new session on Internet Explorer and log onto SRM with the following information:

Continued on next page

User ID	Aramingo-##
Password	training



Hint: Launch the new session of Internet Explorer by selecting the Internet Explorer icon, or by *Start → Programs → Internet Explorer*. DO NOT USE *File → New → Window*.

- b) Choose *RFx and Auctions*
- c) Select the Query *All* for *eAuctions*
- d) Choose the *Event Number* of the auction to display the auction
- e) Choose the *Live Auction* button to launch the Live Auction Cockpit
- f) Choose *Accept* to agree to the Terms and Conditions of the auction
- g) Adjust the frames in the Live Auction Cockpit so you can see all of the information and fields.
- h) Enter **580** in the *Bid Price* field and choose *Submit*
- i) Choose *Yes* when prompted to confirm your bid
- j) Enter **550** in the *Bid Price* field and choose *Submit*
- k) Choose *Yes* when prompted to confirm your bid
- l) Enter **500** in the *Bid Price* field and choose *Submit*
- m) Choose *Yes* when prompted to confirm your bid
- n) Switch back to the Live Auction Cockpit with **SRMBUYER-##** and review the prices. Choose the *History* and *Charts* icons to review details.
- o) Close out the Live Auction Cockpits for both the Buyer and Supplier.
- p) Log off of SRM with the Supplier Contact.

Continued on next page

5. Acting as the purchaser, return to SRM so you can review the bids submitted by the suppliers. You decide to accept the bid from Arami-## and create a P.O.
- a) Choose *All Auctions* from the Active Queries
 - b) Choose *Refresh* to update the *Bids* related to the auction.
 - c) Select your auction from the results



Hint: In the auction name you will see your buyers name SRMBUYER##

- d) Choose *Bids and Awards*
- e) Choose the bid from Aramingo-## to review their bid
- f) Select the *Items* tab to see the bid for the item
- g) Choose *Edit*
- h) Choose *Accept*
- i) Choose *Refresh*
- j) Choose *Create Purchase Order*



Lesson Summary

You should now be able to:

- Create bid invitations and bids using the bidding engine for materials and services.
- Explain the process of Live auctions
- Describe the integration of the bidding engine



Unit Summary

You should now be able to:

- Explain the sourcing scenarios within SAP SRM
- Detail the integration of Sourcing Application with the Bidding Engine and Contract Management.
- Explain the possible sources of supply in SRM.
- Process Purchasing Central Contracts in SRM
- Describe the process flow of Central Contracts
- Explain the integration of Central Contract Management with other SRM components
- Create bid invitations and bids using the bidding engine for materials and services.
- Explain the process of Live auctions
- Describe the integration of the bidding engine



Test Your Knowledge

1. Purchase orders reference contracts.
Determine whether this statement is true or false.
 - ☐ True
 - ☐ False

2. Which of the following can be included in a purchase contract?
Choose the correct answer(s).
 - ☐ A Items from catalog
 - ☐ B Product master
 - ☐ C Free text description
 - ☐ D None of the above

3. Purchase orders reference global contracts.
Determine whether this statement is true or false.
 - ☐ True
 - ☐ False

4. The sourcing application allows you to create sources through the following options: propose source of supply, create purchase order, create bid invitation, create auction, and create _____.
Fill in the blanks to complete the sentence.



Answers

1. Purchase orders reference contracts.

Answer: True

2. Which of the following can be included in a purchase contract?

Answer: A, B, C

Contracts have goods and services added to them, just like shopping carts.

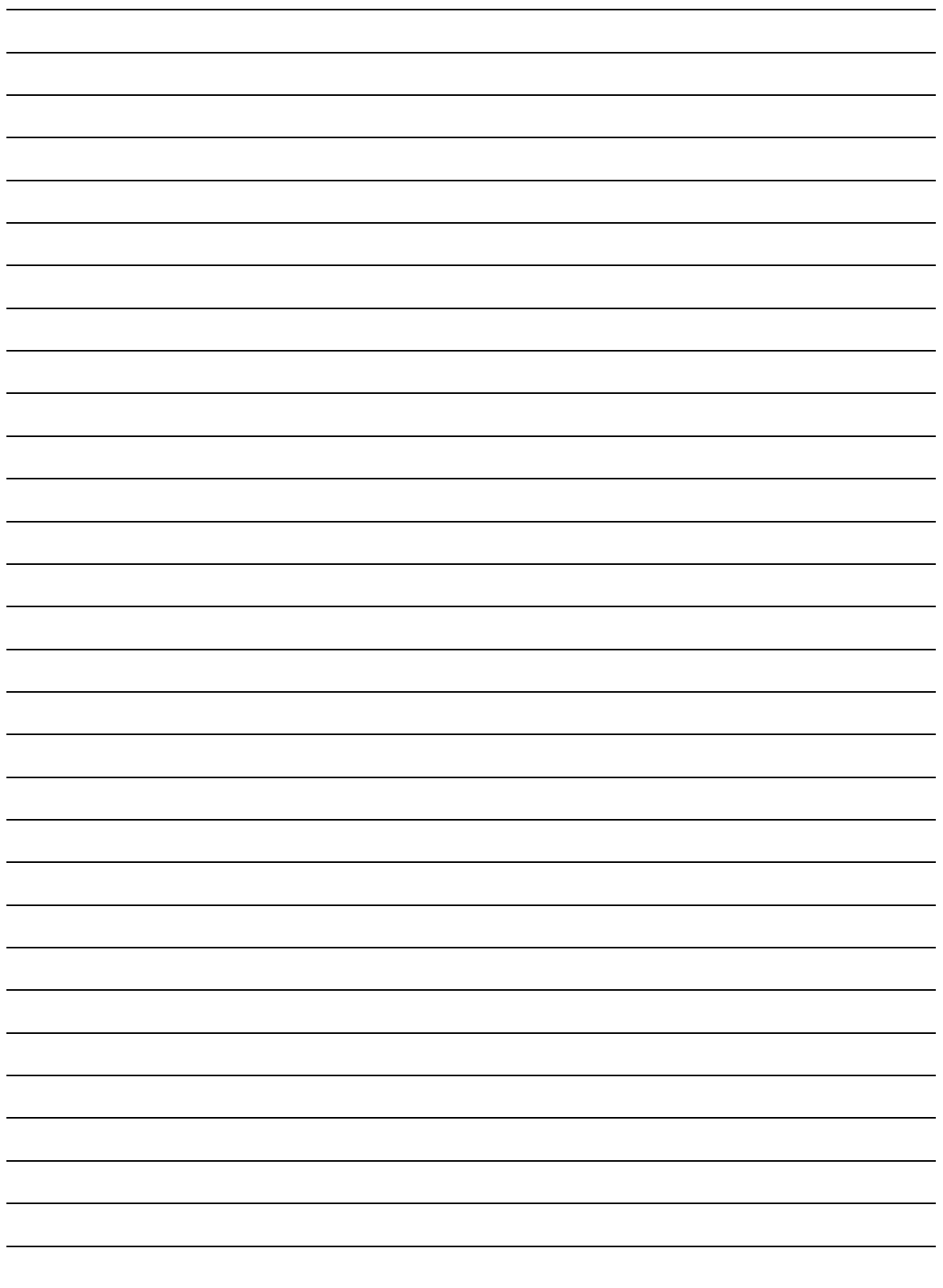
3. Purchase orders reference global contracts.

Answer: False

Global contracts are distributed to the backend system or systems. The contracts that are in the backend systems are called operational contracts. The purchase orders reference the operational contracts.

4. The sourcing application allows you to create sources through the following options: propose source of supply, create purchase order, create bid invitation, create auction, and create contract.

Answer: contract





Unit 4

SAP SRM Supplier Collaboration

Unit Overview

This unit will provide you an overview of SRM supplier collaboration scenarios.



Unit Objectives

After completing this unit, you will be able to:

- Describe the Supplier Qualification process.
- Explain the Order Collaboration process
- Describe the Design Collaboration scenario
- Explain the Collaborative Replenishment scenario
- Describe the options for Supplier Connectivity

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Lesson: Supplier Collaboration

Lesson Overview

This lesson will introduce you to the various SRM Supplier Collaboration scenarios and the options available for supplier connectivity.



Lesson Objectives

After completing this lesson, you will be able to:

- Describe the Supplier Qualification process.
- Explain the Order Collaboration process
- Describe the Design Collaboration scenario
- Explain the Collaborative Replenishment scenario
- Describe the options for Supplier Connectivity

Business Example

Your purchasing organization wants to improve the communication and coordination with all of its suppliers. You want to provide suppliers with immediate access to supply-side transactions and other relevant information. You need to provide connectivity to your large and small suppliers using a single solution.

Supplier Qualification

You can use this business scenario to provide suppliers with the facility to register themselves using a link on your company's homepage. On registering, the suppliers assign themselves to one or more product categories.

The purchaser can define product-category-related questionnaires as well as questionnaires that are independent of product categories in order to collect more general information. Once a supplier has registered, the registration system sends the supplier one or more questionnaires. This enables the purchaser to have additional detailed information available on potential suppliers.

Once the purchaser has accepted the suppliers as potential business partners, the suppliers can be transferred to the operational procurement system via a defined interface (as a desired participant in an RFx, or as part of a supplier list, for example).

- Increase visibility of supplier information
- Reduce time and costs to qualify suppliers
- Lower administrative costs
- Shorter sourcing cycle times through the following:
 - Instant access to suppliers' contact and product information
 - Previously captured knowledge of suppliers' ability
- Improved customer service and service delivery
- Synchronize back-end SAP ERP supplier data with SAP SRM
- Standardize supplier discovery with open integration to internal and external supplier repositories
- Ability to complete Web-based registration process for new suppliers
- Customizable registration forms
- Flexible, customizable questionnaires with Web survey tool
- Category-dependent and category-independent questionnaires
- Supplier prescreening for accepting newly registered suppliers
- Monitoring of supply base changes:
 - New suppliers created in SAP SRM (mySAP SRM) (via OPI (Open Partner Interface) or manually)
 - Supplier data change in via SAP supplier self-services or mySAP SRM
 - Blocked suppliers

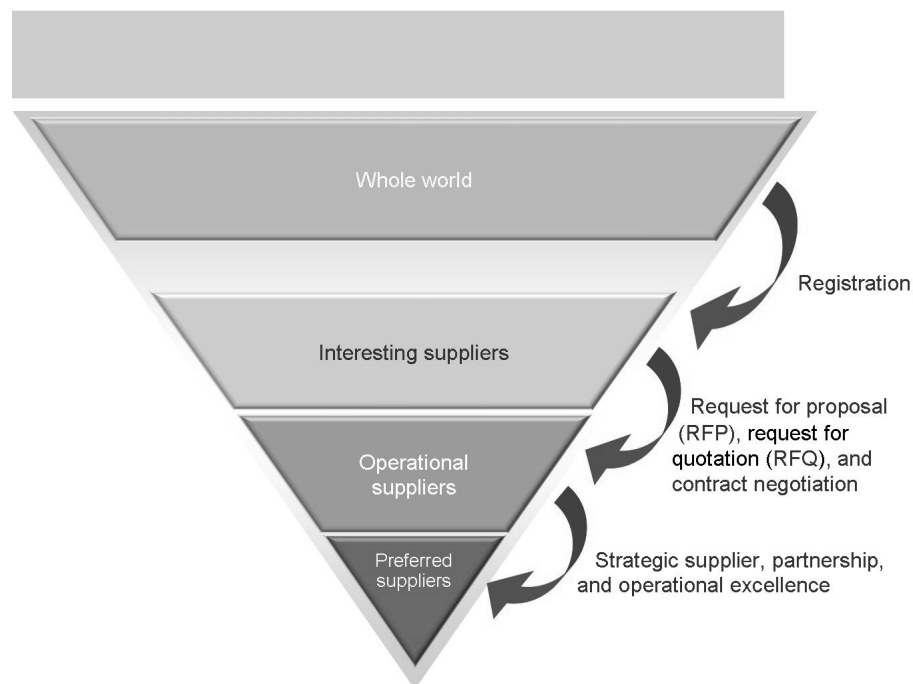


Figure 136: Supplier Identification Process Flow

Supplier Registration Supplier registration is the first step in electronic communication between a purchasing organization and its suppliers. Suppliers can register in one of the following three ways:

1. Provided the purchasing organization already has the necessary details on the supplier's company, the purchaser can register the supplier, after which the supplier is sent an automatically generated E-mail containing an initial log-on ID and password.
2. The purchaser can invite the suppliers to register themselves online, sending them an E-mail with a link to the SAP Supplier Self-Services (SUS) system.
3. The supplier can go to the homepage of the purchasing organization and register there. On registering, the suppliers assign themselves to one or more product categories.



1 Potential supplier self-registers

[illegible]

2 Potential supplier receives e-mail with questionnaire

[illegible]

3 Purchaser accepts potential supplier

[illegible]

Figure 137: Supplier Registration

The steps involved for supplier self-registration on the homepage of the purchasing organization includes:

Supplier Self-Registration

Steps	Sub-Steps	Results
Supplier Self-Registration	Interested party calls up Homepage of the purchasing company to start self-registration.	
	Interested party enters information and assigns themselves to one or more product categories.	Interested party is entered in the registration system as a business partner with the status New.
	The interested party is automatically sent one or more questionnaires (for each product category).	Questionnaires are send as e-mails via Web Survey framework <ul style="list-style-type: none"> • Category dependent questionnaires • Category independent questionnaire via dummy category
	Interested party fills out questionnaires and returns them.	Questionnaires are stored in registration system and are available for review by the purchaser.

Supplier Questionnaire Purchasers can create product category specific questionnaires that suppliers must complete as part of the registration process. You can also define generic questionnaires that are independent of product categories. Once a supplier has registered, the registration system sends the supplier one or more questionnaires via E-mail. After the supplier completes the questionnaires they are sent back to the registration system via E-mail. The questionnaires are reviewed by a purchaser to determine if the supplier justifies further consideration.



Figure 138: Design Questionnaire



Hint: The supplier questionnaire is created in the IMG (Implementation Guide) of SRM.

Path: SRM IMG → SRM → Supplier Registration → Basic Settings

The *Preselect Vendors* transaction in SRM allows users with a purchaser role to view the supplier data including the completed questionnaire. All newly registered suppliers have the status New. You can assign the following statuses:

- **Accepted** You assign this status to suppliers that are of interest for your company. These appear in the supplier directory. Once accepted these suppliers are then available in the Supplier Directory for Sourcing.
- **Rejected** Rejected suppliers do not appear in the supplier directory.

In addition, suppliers in supplier screening can have the following statuses:

- **Released** These suppliers are already operational suppliers in SRM.
- **Locked** These suppliers have already been operational but have been locked in SRM business partner management.

Supplier Screening

Steps	Sub-Steps	Results
Supplier Screening	Purchaser calls up Supplier Screening in SRM and searches for potential supplier	
	Check detail info. from potential supplier and check incoming questionnaires from potential supplier	
	Purchaser reviews questionnaires in the registration system. Purchaser can accept or reject supplier.	Accepted suppliers appear in the supplier directory.

Supplier Directory The suppliers that you have accepted in supplier screening process are available in the Supplier Directory. You can call up the supplier directory from the following functions:

Sourcing → Carry Out Sourcing

Sourcing → Process Bid Invitations

Business Partner → Process Vendor List

Business Partner → Process Business Partner

The supplier directory displays the master data of potential suppliers such as name, address and contact information in a tabular form. You can look at the contents of the product related questionnaires that a supplier has filled out on registration. You can transfer the potential suppliers from the supplier directory as bidders or suppliers into the SRM Server System by choosing the push-button *Transfer Supplier*.



Hint: A supplier's data only becomes available for business partner management after you have transferred the supplier from the supplier directory into the SRM Server System. A supplier becomes 'operational' after it has been transferred from the supplier directory.

Supplier Directory

Steps	Sub-Steps	Results
Supplier Directory	Purchaser selects supplier from the supplier directory and transfers supplier via OPI link into the SRM Server System.	Supplier master records are created in the SRM Server System. If a supplier in the master data record is flagged as a portal supplier, an XML message is sent to SAP Supplier Self-Services (SAP SUS).
	The SUS System sends an E-mail (if appropriate) with a registration number to the supplier.	

Master records are created in SRM for suppliers that have been transferred from the Supplier Directory via OPI (Open Partner Interface).

The supplier company will be transferred from SRM to SUS via PI when selecting Supplier Portal option on the supplier. The supplier administrator user is automatically created in the SUS component at the moment of the replication of the Supplier company from SRM to SUS via PI. The supplier will then receive an E-mail inviting them to create a user in Supplier Self-Services (SUS).

Supplier Self-Services: Create user

Steps	Sub-Steps	Results
SAP Supplier Self-Services (SAP SUS)	Supplier uses registration number to create user in SAP SUS.	
	Supplier can change his master data in SAP SUS.	The changes are transferred into the supplier directory.
	Purchaser recognizes these changes in the business partner monitor.	

Order Collaboration with Supplier Self-Services

Supplier Self-Services (SUS) is a hosted solution for suppliers that reduces the costs of procurement cycles by improving exchange of business documents and shortening the time it takes to process the content of these documents. Suppliers

can access SUS via a Web browser, without having to install any other software on their systems. Suppliers are integrated into the procurement process to a much larger extent. These suppliers do not need their own sales system to supply products and services. They use Internet access to react to order and content management functions of the host. The solution is suitable for the procurement of both goods (indirect and direct), services and services with hierarchies

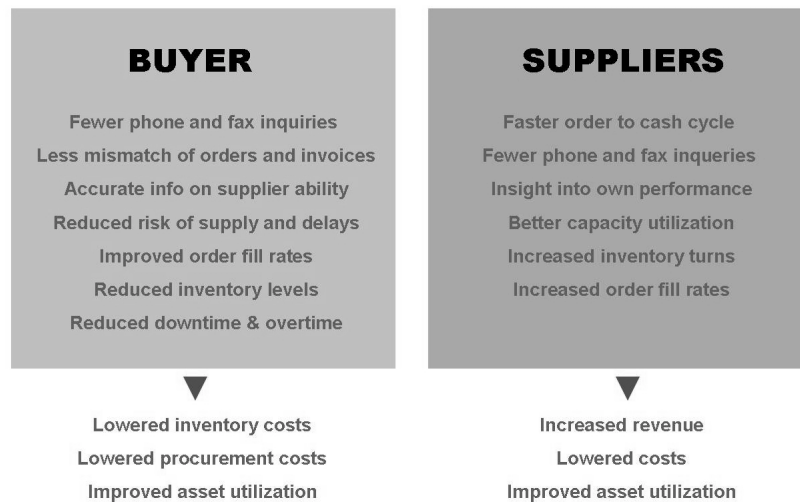


Figure 139: SUS Benefits for Buyer and Suppliers

Unlike solutions that grant suppliers direct access to the buyer's backend via Web GUI, the SUS business scenarios offer a high level of security, since suppliers log on to the SUS system only. The SAP Exchange Infrastructure is responsible for data exchange between the procurement systems and SUS.



Hint: The application uses Business Server Pages (BSP), not JAVA.



Hint: SUS can be integrated into SAP Enterprise Portal or used as a standalone solution.

Purchase orders are sent to SUS from SRM or the material management component of the back end ERP system(s). All subsequent communications relating to a purchase order, such as acknowledgements, confirmations and invoices are entered by the supplier and exchanged electronically. The purchasing organization's data is secured by setting up a firewall between the purchasing system(s) and SUS.

You can use Supplier Self-Services with the following SRM business scenarios:

- **Service Procurement (Temporary Labor) and Indirect Materials with Supplier Integration:** SAP Supplier Self-Services is installed and configured with SAP SRM as procurement system. From a technical aspect, this represents a standalone scenario with FI backend.



Note: This is also referred to as the **SUS-SRM** scenario.

- **Procurement of Direct Materials or Indirect Materials with Supplier Integration:** SAP Supplier Self-Services is installed and configured with SAP Materials Management as procurement system. From a technical aspect, this represents a classic scenario with one or more MM backend systems.



Note: This is also referred to as the **SUS-MM** scenario.

- **Procurement of Service PO's (PO's with item category D) with Service hierarcies from ECC-MM to SUS:** To enhance service procurement capabilities within SRM 7.0 SAP has extended the integration between Materials Management (ERP) and Supplier Self-Services (SUS). To achieve this goal the existing MM-SUS solution has been extended to support MM/SRV hierarchical structures including limits and the capability for the vendor to create and submit Service Entry Sheet



Note: This is also referred to as the **SUS-MM** scenario.

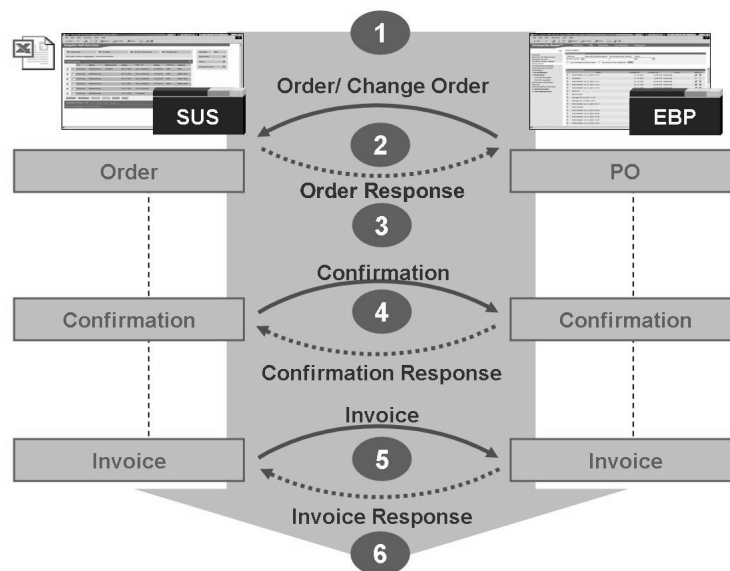


Figure 140: Document Flow: SUS-SRM

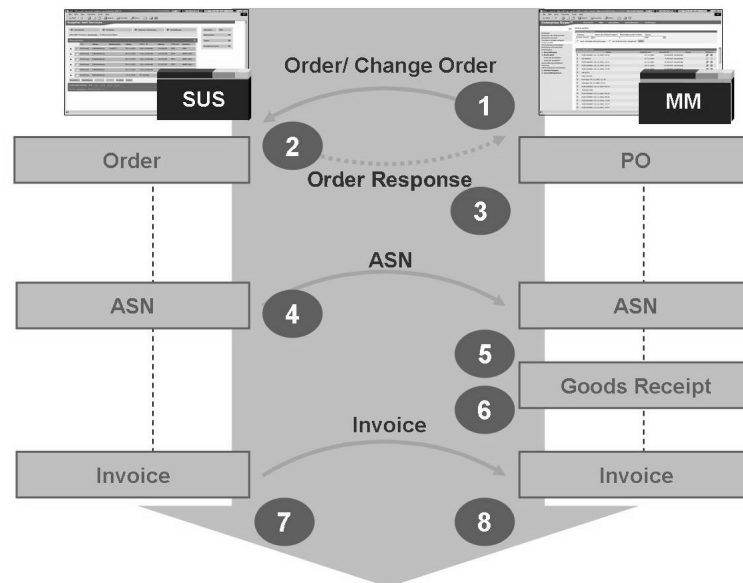


Figure 141: Document Flow: SUS-MM



Note: Supplier has the option to either choose “Confirmation” for services or “ASN” for goods

Supplier integration can also be used in the other scenarios where this makes sense from a business point of view, and where it is technically possible. If, for example, you want to integrate your suppliers into the procurement of MRO materials, you can integrate SAP Supplier Self-Services. From a business aspect, this would represent a Self-Service Procurement scenario within a technical standalone scenario.

- Business Partner Maintenance in SAP Supplier Self-Services
- User Management
- Processing Purchase Orders
- Processing Confirmations
- Processing Shipping Notifications
- Processing Invoices
- Processing ERS Invoices
- Processing Bid Invitations & Auctions
- Analyses
- Integration with the Internet Pricing and Configurator (IPC)

Processing Purchase Orders: A purchase order created in procurement system triggers the creation of a related sales order in SUS. In this instance the interface between ERP and SUS leverages the enterprise service-oriented architecture (Enterprise SOA). Purchase orders can be sent to SUS from either SRM or the Materials Management application of the backend ERP system



Note: Service Oriented Architecture (SOA) – Describes an IT infrastructure which allows different applications to exchange data with one another as they participate in business processes. SOA supports the new and enhanced features in service procurement



Note: As of SRM 7.0 All ERP PO's containing service items including all service specification Outlines, and Service lines service item hierarchy, and limits are transferred from ERP to SUS



Note: A PO that has limits specified to a Service Item (Item type D) is created in ERP and transferred to SUS. The Limits in ERP PO are linked to Service Item. The limits maintained in the PO are linked to top level in SUS. The supported limits are Overall Limit & Other Limits

Confirm Purchase Orders: Suppliers can accept, reject or propose changes to purchase orders they receive in SUS. In the case of local purchase orders created in SRM, a Purchaser Order Response document is created in SRM to inform the purchaser the supplier had accepted or rejected the order. Order acknowledgements are created in the case of purchase orders sent to SUS from R/3 MM.

Order Confirmation for Service Hierarchies: Supplier can create a PO response for a PO including a Service item hierarchy. Within the order response the supplier can confirm or reject on Service Item level only. If the supplier creates an order response and rejects one or more line items the rejection for a line item is reflected in PO in ERP. The supplier can change delivery date only on the highest outline level (Service Item) in the PO response. The supplier can not change the quantity or price at line item level (Service Lines) or on the outline level in the service structure in the PO response. Supplier can create a new order response based on the changed PO.

Purchase Order Status in SUS

Purchase Order Status	Meaning	Subsequent status
New	This status is set automatically in SAP SUS when a purchase order is received from the procurement system. The status can also be set if the customer changes the purchase order.	In Process, Confirmed, or Partially Confirmed and Rejected by Customer.
In Process	You set this status to show that the purchase order is being processed. This status is not displayed in the purchaser's system.	Confirmed or Partially Confirmed and Rejected by Customer.
Rejected	You can set this status to show that the purchase order was rejected.	No subsequent status on user interface.
Confirmed	You set this status to confirm the purchase order.	No subsequent status on user interface.
Partially Confirmed	You set this status to confirm items in the purchase order.	No subsequent status on user interface.
Rejected by Customer	This status is set automatically if the purchaser cancels the purchase order in SAP SRM or SAP MM.	No subsequent status on user interface.

Suppliers have the ability to print purchaser order in CSV, XML and PDF formats and download them as CSV and XML files.



Note: In order to see the POR as a buyer, log-on and display the original Purchase Order and choose the “Tracking” tab. The POR details can be displayed here.

Service Entry Sheet (Confirmation) and Advance Shipping Notification

(ASN): As a PO can contain both services and materials the supplier will have the option to create ASN and Service Entry Sheet (Confirmation) depending on what type the line item represents (service or material).

Within the SUS UI there are two buttons (Confirmation and ASN). Confirmation triggers a Service Entry Sheet & ASN triggers an Shipping Notification / Inbound Delivery.

Processing Advance Shipping Notifications (ASN): Suppliers can use this function to create, edit, and send confirmations for materials in SAP Supplier Self-Services (SAP SUS). When processing confirmations with limit items (non service limits), suppliers can use a link on header level to branch to the catalog. In this way, they can transfer items from the catalog. If the order control settings in the system of the purchaser require that a confirmation is sent, you can create confirmations directly in SAP SUS.

Confirmations for materials can be created in SUS for indirect items, direct items as well as services (Temporary Labor). In the case of services a Time Entry form is available to enter the quantity, dates and times of the service provided.

- **Create invoice** After you have confirmed the confirmation, you can create an invoice on the basis of this confirmation
- **Refresh prices** You can update price data if you have added new items or changed item quantities.
- **Display history** You can display a detailed list of all changes to an item (for example, the type of change, the user who made the change, and the time at which it was made).
- **Hold** You can save the confirmation locally and then edit it later, before sending it.
- **Display document flow** You can display a list of all the documents related to the confirmation. For example, you can determine whether invoices have been created for the order.
- **Add items from catalog** You can add products directly from the catalog. To update price information after you have added items, select Refresh Prices.
- **Add new item** You can add a new line and enter product data. To update price information after you have added items, select Refresh Prices.
- **Download confirmation** You can download the confirmation in CSV format or XML format.



Hint: When you download documents, ensure that your SAP SUS user and your computer have the same language and country settings. Otherwise, the time of day, dates and numbers will not appear correctly.

- **Print confirmation** You can print the confirmation in CSV, XML, or PDF format.

Processing Shipping Notifications This function enables you to create, process, and send shipping notifications for materials on the basis of a purchase order in Supplier Self-Services (SUS). When you create a shipping notification in SAP SUS and send it to the purchaser, an inbound delivery is automatically created in SAP Materials Management (MM).

Processing Service Entry Sheets (Confirmations): Confirmations are used as Service Entry Sheet in SUS as a follow-on document to a PO containing services. A new button “Create Confirmation” exists as of SRM 7.0. A Confirmation created in SUS will generate a Service entry Sheet in held status in ERP. A limit entered in the MM PO will enable the supplier to enter services performed either manually or from catalog. In this case the supplier can add additional line items toward the specified limit.

The supplier can change the price within the price percentage of Service Lines from a contract limit while creating Service Entry Sheet if the Price Change & percentage in Entry Sheet is checked in ERP PO. The supplier can enter a quantity that exceeds the ordered quantity with a warning message.

If the purchaser rejects a Service Entry Sheet generated by a SUS confirmation a status will be sent to the SUS Confirmation updating the both header and item status of the confirmation. A Confirmation in SUS with status ‘Completion reported’, ‘Partly accepted by customer’, ‘Accepted by customer’, ‘Rejected by customer’ or ‘Canceled by Customer’ shall not be changeable anymore by the supplier but only viewable. Canceling a Service Entry Sheet in ERP shall update the status of the confirmation in SUS both on item and header level accordingly.

Within a SUS confirmation a supplier can enter a service location, internal number, & responsible person, which all transfer to the service entry sheet.

Displaying Scheduling Agreement Releases This function can be used to display scheduling agreement releases that you receive from SAP Materials Management (SAP MM). You use transaction ME84 to transfer scheduling agreement releases created in SAP MM to SAP Supplier Self-Services (SAP SUS).



Hint: The SUS user must have the Scheduling Agreement Release Processor role (**SAP_EC_SUS_SAR_PROCESSOR**) in order to display scheduling agreement releases.

Invoice Processing: This function is used to create and process invoices with reference to a purchase order, shipping notification, or contact person. You then send the invoice to the customer. When you process invoices with non-service limit items, you can use a link on header level to branch to the catalog. In this way, it is possible to transfer items from the catalog. You can create invoices with reference to confirmations, purchase orders, or shipping notifications, independently of the purchase order settings in the procurement system.

Standard invoice capabilities that already exist in SUS now apply for Service Procurement with Hierarchies as of SRM 7.0. Supplier must create an Invoice from a confirmation in status “Accepted by customer”. All items in the confirmation with corresponding quantities shall be defaulted in the Invoice. ERP receives an Invoice including services from SUS.

Check Payment Status of an Invoice You can call up information on the status of an invoice, the invoiced amount or paid amount, and the FI invoice date, directly from the FI system. In this way, you can see whether an invoice has been completely paid or partly paid, or whether it is still open. The additional area Payment Status is displayed, provided that the function is activated in Customizing. You can call up information from the FI system using the Check Payment Status push-button.

Evaluated Receipt Settlement (ERS) Invoice Display: SUS can receive ERS-Invoices from MM-systems for Services, same as materials. ERP MM can create Invoice if Evaluated Receipt Settlement (ERS) is enabled. An ERS-Invoice will be created automatically in SUS with the received data from purchaser system. An ERS-Invoice will not be changeable in SUS by a supplier, except the status of the ERS-Invoice.

Credit Memo: The supplier will be able to create a Credit Memo from an existing Invoice including services with status Document sent, 'Accepted by customer' & 'Payment received'. The supplier can create several Credit Memos to an Invoice. ERP can receive a Credit Memo including services from SUS. After saving a credit memo the price of the line item will update the price for Invoice.

Analyses A SUS user can display analysis data in SAP Supplier Self-Services (SUS) provided they have the appropriate role assigned.

- Reporting in the Plan-Driven Procurement with Supplier Integration scenario is integrated into SAP Business Information Warehouse (BW) BI Content 3.52 Add-On and higher. If you want to use the SAP Business Information Warehouse (BW) in SAP Supplier Self-Services, you require the role **SAP_EC_SUS_MANAGER**
- In the Service Procurement scenario, reporting is realized using SAP SRM.

Bid Invitations Within the Service Procurement business scenario, suppliers can use the SAP Bidding Engine to participate in bid invitations created by purchasers. If you want to use the SAP Bidding Engine in SAP Supplier Self-Services, you require the role **SAP_EC_SUS_BIDDER**

Design Collaboration

Design collaboration shortens product-development cycles by permitting employees from different trading partners to effectively share relevant product and project information that is consistently and conveniently maintained at a central location, while keeping supporting and detailed information within the enterprise. This enables collaboration on design objects like specifications and bills of materials.



Enables work in virtual design teams with collaboration on various types of objects

- Specifications, technical documents, materials, bills of material

Enables collaborative and competitive scenarios

- Authorization concept for access control
- Visualization and redlining for 2D/3D object viewing
- Online collaboration support to change or modify objects
- Standardizing by using status management
- Versioning and notifications
- Hierarchical structuring of supplier, product or project information

Increases process efficiency

- Tight integration to online bidding process
- Notification to be alerted of any changes to objects

Figure 142: Design Collaboration: Key Benefits

Design Collaboration is powered by and integration of SRM and Collaboration Folders (cFolders), which is a component of SAP PLM. cFolders provides a common platform and environment for collaboration between buyers and their suppliers. Suppliers with engineered-to-order products can interact with a buyer's design engineers online and in real time to review, mark up and approve designs and design changes.



Note: cFolders is a component of SAP PLM and is not included with SAP SRM

- **Document Versioning** - A wide variety of objects/documents can be assigned to any folder, including office documents or CAD drawings. The version control mechanism ensures that all collaboration partners can track the change history of a document.
- **Document Handling** - Allows you to edit directly all file types supported by a front-end PC. Checked-out documents are stored in the list of favorites. Documents are locked during check-in/check-out.
- **Redlining & Markups** - The integrated ECL viewing capabilities allow the markup or redlining of 2D and 3D drawings.
- **Integration into RFX Processes** - Before initiating a request for quotation (RFQ), a purchaser can create a collaboration within cFolders and invite engineers to add product specifications. Suppliers can access the product specifications in cFolders directly, via a link in SAP Bidding Engine. When creating a bid, private supplier areas are automatically created in cFolders, where specific product information can be stored. All, engineers, purchasers, and suppliers can collaborate together on the content of the bids. Finally, purchasers and suppliers can evaluate incoming bids together.

Collaborative Replenishment

The Supply Network Collaboration, a component of SAP SCM, gives buyers and suppliers easy and seamless access to inventory information. The Supplier Managed Inventory (SMI) scenario shifts the responsibility for inventory planning from the manufacturer to suppliers. That is, the manufacturer hands over the replenishment task to an external business partner, usually the supplier of a product required for the customer's production. Doing so saves effort and enables the company to take advantage of the business partner's experience in handling the replenishment process. In SMI, suppliers determine the shipment schedule based upon information provided by manufacturers, such as demand and consumption data and inventory balances. The suppliers must then maintain the stock levels at the manufacturer's locations, according to contractual agreements. As a result, SMI enhances demand and inventory visibility for suppliers and helps increase the responsiveness of all parties in the supply chain network.



Note: SNC is a component of SAP SCM and is not included with SAP SRM.

Supplier Connectivity

SRM helps ensure smooth document exchange with a set of generic adapters that facilitate messaging between SAP and non-SAP systems, both internally and externally. This exchange helps integrate the SAP supplier portal component fully with the operational procurement and materials management processes used by ERP systems. Supporting open standards, such as XML and SOAP, SAP SRM automatically receives, processes, and transfers all messages. Documents enter the system at a central location; the integration broker of SAP NetWeaver determines the relevant receiver and routes the document accordingly. Such routing enables collaboration by ensuring that all documents supporting business-critical supply processes consistently reach their final destination.



Note: The SAP NetWeaver Exchange Infrastructure (XI) handles the exchange of XML documents between business partners and integration to non-SAP systems.



EXPAND your value proposition by linking ANY kind of suppliers with **THREE** appropriate and cost-effective channels.

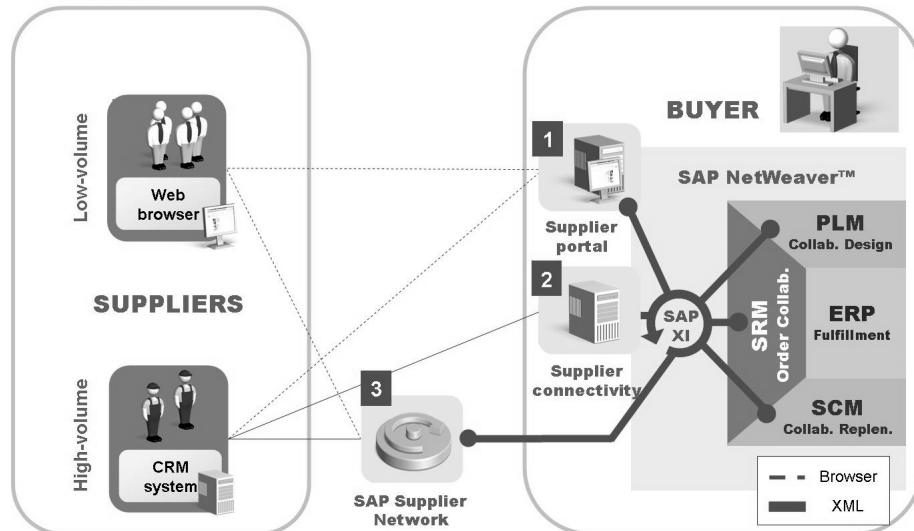


Figure 143: Enable Collaboration with ALL Suppliers

To handle the conversion of documents formatted according to different data definitions, the SRM solution includes flexible format-mapping capabilities that ensure seamless collaboration between internal departments and between buyers and external suppliers. Both xCBL and SAP XML are offered as standard business document formats, but each implementation of SAP SRM also maps all internally used interfaces to enable flawless document exchange right out of the box. The implementation of additional mapping easily supports other document formats. This ability helps companies increase internal collaboration and offers unprecedented capabilities for seamless communication with the widest possible range of external supply partners.

**Based on SAP NetWeaver platform**

- Unified access to supplier related applications, information and services
- Interactive gateway, providing suppliers with a single point of access
- Empowers buying organization and suppliers to get relevant information and to collaborate

Predefined premium content delivered via portal business package

- Fast implementation of portal content
- Makes user productive very fast
- Provides alerts to focus user's attention

Powered by the buying organization

- Completely web-based
- Engineered for any kind of suppliers
- Easy to implement
- Works on existing technical environments as well

Figure 144: What is the Supplier Portal?

The Business Package for Supplier Collaboration 4.0 runs on SAP NetWeaver Portal 7.0 to create a self-service, collaborative environment for supplier companies, hosted by the purchasing organization. Suppliers have access to various supplier-managed transactions, business package content, and processes related to purchasing through a web-based, interactive gateway. This business package can be connected to SAP ERP back-end systems and other solutions, such as SAP Supplier Relationship Management (SRM), SAP Product Lifecycle Management (PLM), Collaboration Folders (cFolders), and SAP Supply Chain Management (SCM), to provide collaborative planning, sourcing, procurement, content management, and design processes. Information exchange between a purchasing organization and its supplier companies is quick and effective. Implementation of the Business Package for Supplier Collaboration 4.0 accelerates processes in purchasing by reducing cycle times and improving process efficiency.



Hint: The official name of the SAP Supplier Portal is **Business Package for Supplier Collaboration 4.0**

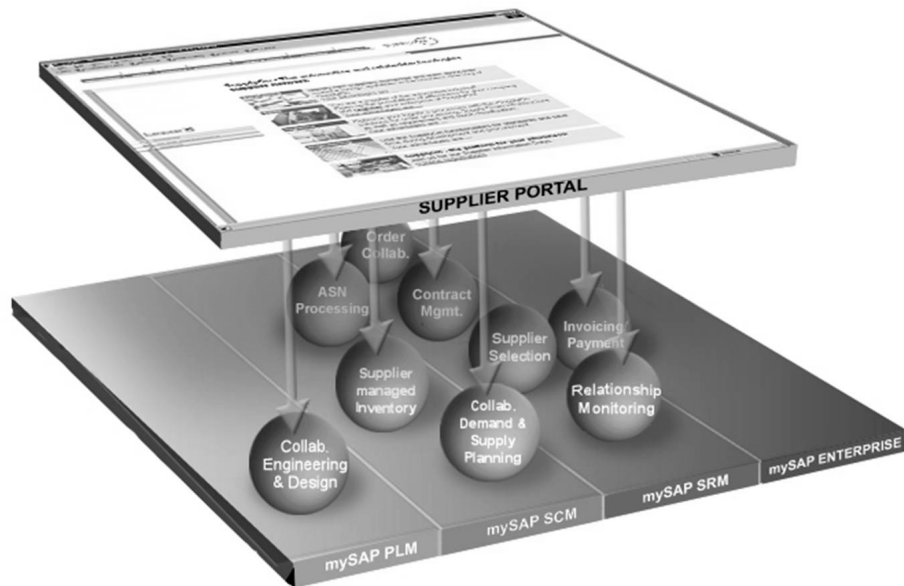


Figure 145: SAP Supplier Portal: Single Point of Access for Collaboration

The SAP Supplier Portal offers a highly efficient and secure method of communication. Information is exchanged between a purchasing organization and its suppliers in a targeted and timely fashion, thus accelerating processes in purchasing by compressing cycle times and improving efficiency.



Hint: The Supplier Portal should not be confused with SUS. Rather, SUS is one of the components that can be accessed via the Supplier Portal.

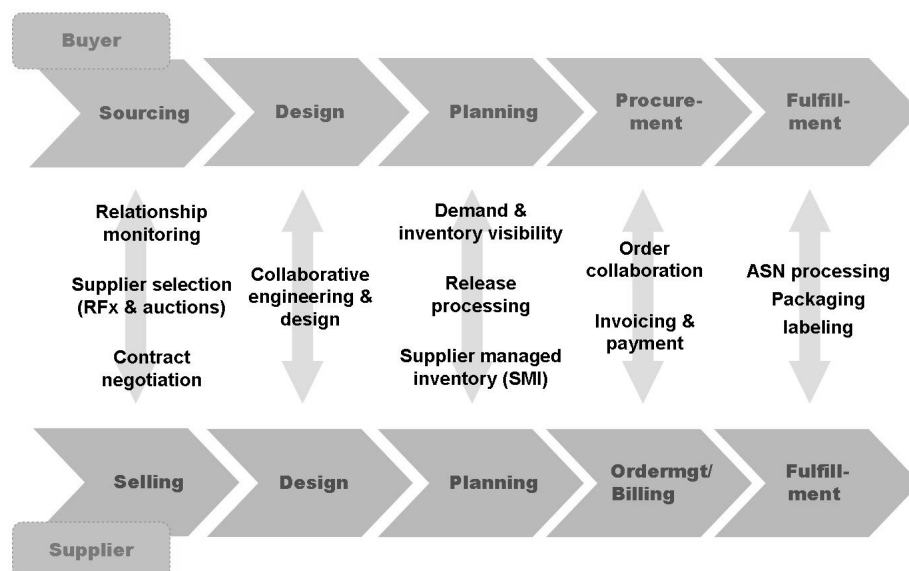


Figure 146: Supplier Portal Processes

Hint: When implementing the Business Package for Supplier Collaboration 4.0, it makes sense to also implement the Business Package for Design Collaboration 4.0 and the Business Package for Payer Direct 4.0.

- **Planner (Supplier):** The Planner role is assigned to employees within the supplier company. The Planner role is responsible for coordinating supply-chain activities between the purchasing organization and the supplier company. In the Planner role, you can monitor and respond to inventory demands from the purchasing organization. In this role, you are authorized to view demands from the purchasing organization. You can also coordinate the scheduling and delivery of goods to the end customer and respond to alerts about supply shortages.
- **Engineer (Supplier):** The Engineer role is assigned to design engineers within the supplier company who are responsible for research and development. A user with the Engineer role collaborates with the design team from the purchasing organization to develop new or improved product designs. In the engineer role, you can display, enter, or change engineering data in the portal
- **Sales Manager (Supplier):** The Sales Manager role is assigned to employees within the supplier company. A user with the sales manager role is responsible for the overall business relationship with the purchasing organization.

In the sales manager role, you can receive an RFQ invitation and purchase orders and then create the appropriate shipping confirmations. When you receive acceptance for goods or services, you can send invoices using the portal.

You can also use the portal's analytical tool to monitor purchase orders, contract statuses, and reports that provide more detailed information, for example about invoices. In addition, you can view and respond to RFQs, receive and respond to purchase orders, search for pending invoices by various parameters, and check unpaid invoices.

- **Administrator (Supplier):** The Administrator role is assigned to employees within the supplier organization responsible for IT Support. The Administrator is responsible for user administration and user authorizations on the supplier side. The Administrator assigns authorizations to the relevant users so that they have appropriate access to the functions of the Supplier Portal. User access can only be assigned to the applications within the portal to which the Purchaser Administrator has granted access; it is not possible to restrict access to some of the applications

- **Purchaser Administrator:** The Purchaser Administrator role is assigned to employees within the purchasing organization who are responsible for IT support. A user with the purchaser administrator role is responsible for maintaining the business package in the SAP NetWeaver Portal and performing maintenance and configuration tasks to integrate the back-end systems. In the purchaser administrator role, you can authorize access to the Business Package for Supplier Collaboration SRM 7.0 and restrict designated suppliers from accessing business package content.
- **SNC Planner:** The SNC Planner role is assigned to employees within the supplier company. The SNC Planner role is responsible for coordinating supply-chain activities between the purchasing organization and the supplier company. In the SNC Planner role, you can monitor and respond to inventory demands from the purchasing organization. You can perform SNC Material Monitoring with this role.

The Supplier Portal supports a streamlined order management process that assists the supplier in handling purchase orders, shipping notifications, and invoices. The order management process within the Supplier Portal also features a robust search function whereby suppliers can search for purchase orders and other supporting documents that simplify supplier-purchaser interactions. The Supplier Portal also has analytic tools that allow suppliers to retrieve reports such as open purchase orders, contract history, and information on expiring contracts.

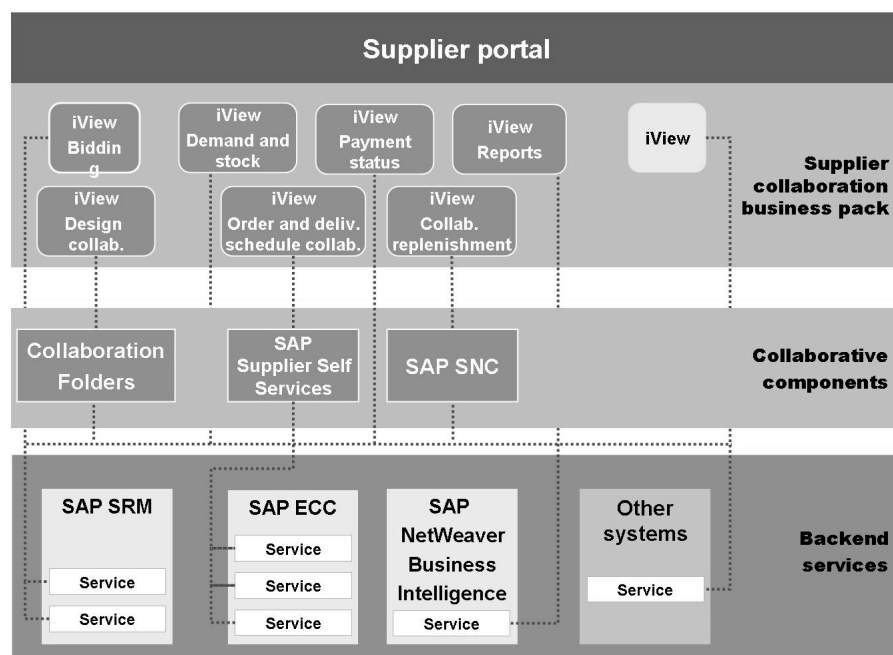


Figure 147: Supplier Portal

For purchasing organizations and their companies, these features accelerate the procurement process, reduce errors, minimize the risk of supply, and enhance collaboration. The benefits to suppliers are equally substantial. Since the purchaser hosts this collaborative environment, suppliers are not responsible for any investment costs; yet, as a result of using the Supplier Portal, they will experience shorter sales cycles, lower warehousing costs, increased sales transparency, and improved relationships with business-critical customers.



Note: The Business Package for Supplier Collaboration requires the basic SAP NetWeaver Portal components. All SAP ECC and application components are optional.

Business Package for Supplier Collaboration 2.0 Technical Data:

Portal Component:	SAP NetWeaver 7.0, SPS15
Data Sources:	SAP Supplier Relationship Management (SRM) 7.0 SP00
	SAP Supplier Self-Services (SUS) 4.0
	SAP Supply Network Collaboration (SNC) 5.0
	SAP ERP 2005 Enhancement Pack 4
	SAP NetWeaver 7.0 BI Content Add-On 4
	SAP NetWeaver Portal 7.0 SP15
	SAP Product Lifecycle Management (PLM)/Collaboration Folders (cFolders)
	SAP Supply Chain Management (SCM)

Exercise 29: Service Procurement with Supplier Enablement (SUS-SRM)

Exercise Objectives

After completing this exercise, you will be able to:

- Explain the supplier collaboration process using the SUS-SRM scenario.

Business Example

One of your key providers of Human Resources consulting services, Jolie Incorporated, does not have the capability to exchange documents electronically using EDI or XML. In order to improve the efficiencies of the transactions with this supplier, you have decided to implement Supplier Self-Services for Order Collaboration.

Task: SUS-SRM Scenario

You will create a shopping cart with an item from the vendor JOLIE-##. The supplier will accept the resulting order and create a confirmation in SUS. Finally the vendor will enter the invoice in SUS.

1. Create a shopping cart by ordering HR Consulting services from the SAP Catalog.
2. Acting as the supplier, log onto Supplier Self-Services to accept the order you have received from your customer.
3. Acting as the purchaser who ordered the HR consulting services, review the purchase order response and then approve the confirmation that the vendor has entered in SUS.
4. Acting as the supplier, create the invoice for the HR consulting services in SUS.
5. Acting as the purchaser who ordered the HR consulting services, check the related documents that were created by the Supplier in SUS.



Note: In this system, the Confirmation and Invoice entered by the Supplier in SUS did not require approval. The Business Workflow can be configured so that approvals are required.

Solution 29: Service Procurement with Supplier Enablement (SUS-SRM)

Task: SUS-SRM Scenario

You will create a shopping cart with an item from the vendor JOLIE-##. The supplier will accept the resulting order and create a confirmation in SUS. Finally the vendor will enter the invoice in SUS.

1. Create a shopping cart by ordering HR Consulting services from the SAP Catalog.

- a) Launch SAP SRM enter the following information:

<i>User ID</i>	SRMBUYER##
<i>Password</i>	Provided by instructor

Choose *Logon*.

- b) Select *Employee Self-Services* → *Shop* from the menu options.
 - c) Choose *SRM-MDM Catalog Training* from the list of catalogs.
 - d) Enter **HR Consulting** in the *Keyword* field and choose *Search*
 - e) Select **Jolie## Incorporated** from the list of Suppliers
 - f) Enter **8** in the *Quantity* field
 - g) Select *Shopping Cart* under the *Actions* column
 - h) Select *Check Out*
 - i) Enter **7 days from today** in the *Delivery Date* field.
 - j) Choose *Next*
 - k) Enter **HR Consulting##** as the *Name of Shopping Cart*
 - l) Choose *Order*
 - m) Choose *Close*
 - n) Do not log off

Continued on next page

2. Acting as the supplier, log onto Supplier Self-Services to accept the order you have received from your customer.
 - a) Launch Internet Explorer to access Supplier Self-Services via the Web browser. Enter the following information:



Hint: The URL for SUS is different from the URL for SRM

<i>URL for SUS</i>	<i>Provided by Instructor</i>
<i>Client</i>	335
<i>User</i>	JOLIE-##-W
<i>Password</i>	initial reset to training

Choose the *Log on* button

- b) Choose *Purchase Orders* → *New* from the menu options on the left.
- c) Select the document with the name *HR Consulting##*
- d) Choose *Process*
- e) Choose *Confirm all items* to accept the order
- f) Choose *Send* to create the purchase order response in SRM.
- g) Choose *Create Confirmation* and then choose the *Confirm* to confirm the services have been provided.
- h) Do not log off

Continued on next page

3. Acting as the purchaser who ordered the HR consulting services, review the purchase order response and then approve the confirmation that the vendor has entered in SUS.

- a) Switch back to your SRM session



Hint: If you logged out or timed out, log back in with the information in step 1.

- b) Choose the first *Purchasing* → *Purchasing* from the menu options
- c) Select the Query *Purchase Order Responses All*
- d) Choose *Refresh*
- e) Highlight the Purchase Order Response for *HR Consulting##*
- f) Choose *Compare with Purchase Order*

There are no differences between the Purchase Order and the Response

- g) Choose *Close*
- h) Choose *Confirm Response*

4. Acting as the supplier, create the invoice for the HR consulting services in SUS.

- a) Switch back to your other session with SUS



Hint: If you logged out or timed out, log back in with the information in step 2.

- b) Choose *Confirmations* → *Approved* from the menu options
- c) Select the first document in the list and choose the *Create Invoice* button
- d) Enter **HR Consulting** in the *Description* field
- e) Choose the *Send* button
- f) Choose *Display Document Flow* to see a summary of the documents
- g) Choose *Log Off*

Continued on next page

5. Acting as the purchaser who ordered the HR consulting services, check the related documents that were created by the Supplier in SUS.



Note: In this system, the Confirmation and Invoice entered by the Supplier in SUS did not require approval. The Business Workflow can be configured so that approvals are required.

- a) Switch back to your SRM session



Hint: If you logged out or timed out, log back in with the information in step 1.

- b) Choose *Employee Self-Services* from the menu options

- c) Choose *Refresh* to update the list of shopping carts

The shopping cart for the HR Consulting no longer appears. This is because it has been fully confirmed and is now considered Complete

- d) Scroll to the right and choose *Change Query*

- e) Select *Including Completed Shopping Carts* and choose the *Apply* button

- f) Select the shopping cart named *HR Consulting##*

- g) Choose the *Related Document* tab

- h) Note the *Follow-on Documents*

Exercise 30: Plan Driven Procurement with Supplier Enablement (SUS-MM)

Exercise Objectives

After completing this exercise, you will be able to:

- Explain the supplier collaboration process using the SUS-MM scenario.

Business Example

One of your main providers of precision bearings, Pitt Incorporated, does not have the capability to exchange documents electronically using EDI or XML. In order to improve the efficiencies of the transactions with this supplier, you have decided to implement Supplier Self-Services for Order Collaboration. Purchase orders for this vendor are created in ECC MM, and the order acknowledgement, advance shipping notice (ASN) and invoicing will be handled by the Supplier Self Services (SUS) system.

Task: SUS-MM Scenario

You will create a purchase order in ECC. The supplier will accept the order and create an order acknowledgement and ASN in SUS. You will then post a goods receipt in reference to the ASN. Finally the vendor will enter the invoice in SUS.

1. Create a purchase order for a Stock Material in the ECC.
2. Acting as the supplier, log onto Supplier Self-Services to accept the order you have received from your customer and create the ASN.
3. Post a goods receipt referring to the ASN in the ECC.
4. Acting as the supplier, create the invoice in SUS.
5. Display the purchase order history in ECC

Solution 30: Plan Driven Procurement with Supplier Enablement (SUS-MM)

Task: SUS-MM Scenario

You will create a purchase order in ECC. The supplier will accept the order and create an order acknowledgement and ASN in SUS. You will then post a goods receipt in reference to the ASN. Finally the vendor will enter the invoice in SUS.

1. Create a purchase order for a Stock Material in the ECC.
 - a) Log onto ECC with the following information:

<i>Client</i>	800
<i>User</i>	ERP-##
<i>Password</i>	provided by instructor

Data for the Purchase Order

<i>Vendor</i>	PITT-##
<i>Purch Org</i>	3000
<i>Purch Group</i>	Z##
<i>Company Code</i>	3000
<i>Material</i>	T-SRM3##
<i>Quantity</i>	400
<i>Delivery Date</i>	1 week from today
<i>Plant</i>	3200
<i>Storage Location</i>	0002
<i>Confirmation Control Key</i>	0001 Confirmations
<i>Confirmation Required</i>	X

Choose **Enter** to continue

- b) Enter **ME21N** in the command field
- c) Enter **PITT-##** in the *Vendor* field.
- d) Expand the *Header Data* section of the purchaser order



Hint: Use the icon directly below the shopping cart icon to expand and collapse the header data

Continued on next page

- e) Select the *Org. Data* tab within the header data
- f) Enter the **3000** in the *Purch. Org.* field and **0##** in the *Purch. group* field
- g) Enter **3000** in the *Company Code* field
- h) Expand the *Item Overview* section of the purchase order.
- i) Enter **T-SRM3##** in the *Material* field
- j) Enter **400** in the *PO quantity* field
- k) Enter **1 week from today** in the *Deliv. date* field
- l) Enter **3200** in the *Plnt* field
- m) Enter **0002** in the *Stor.loc* field
- n) Select the *Confirmations* tab in the item details section.
- o) Choose **0001 Confirmations** for the *Confirmation Control* key.



Hint: You need to activate the setting *Show Keys in all Dropdown Lists* in order to see the **0001**. Choose the icon *Customizing of Local Layout* then *Options → Expert* to maintain this setting.

- p) Select *Conf. Req.*
- q) Choose the *Save* icon



Hint: Write down the number of the purchase order you just created. You will need this for the next steps.

- r) Do not log off of ECC

Continued on next page

2. Acting as the supplier, log onto Supplier Self-Services to accept the order you have received from your customer and create the ASN.
 - a) Launch Internet Explorer to access Supplier Self-Services via the Web browser. Enter the following information:



Hint: The URL for SUS is different from the URL for SRM!

<i>URL for SUS</i>	<i>Provided by Instructor</i>
<i>Client</i>	335
<i>User</i>	PITT-##-W
<i>Password</i>	initial reset to training

Choose the *Log on* button

- b) Choose *Purchase Orders* → *New* from the menu options on the left.
- c) Select the document related to your purchase order created in step 1.
- d) Choose the *Process* button
- e) Choose the *Confirm all items* button to accept the order
- f) Choose the *Send* button to accept the P.O.
- g) Choose the *Create ASN* button to create the Shipping Notification in the ECC.
- h) Select **Truck** for the *Means of Transport*
- i) Enter **123##** in the *Transport ID Code* field
- j) Choose the *Goods Delivered to Recipient* button
- k) Do not log off SUS

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3. Post a goods receipt referring to the ASN in the ECC.
 - a) Switch back to your ECC session or use the information in step 1 to log back on
 - b) Enter **/NME23N** in the command field
 - c) Choose *Purchase order* → *Other Purchase Order* from the path at the top of the screen
 - d) Enter the purchaser order you created in step 1
 - e) Choose the *Confirmations* tab in the item details section of the purchaser order
 - f) Write down or copy (Ctrl + C) the Inbound Delivery document number in the *Inb. deliv.* column.
 - g) Enter **/NMIGO** in the command field
 - h) Change *Purchase Order* to *Inbound Delivery* as the reference document related to the Goods Receipt.
 - i) Enter or paste the Inbound Delivery number and choose *enter*.
 - j) Check the *Item OK* box in the lower left corner and then choose the *Post* icon.
 - k) Do not log off of ECC
4. Acting as the supplier, create the invoice in SUS.
 - a) Switch back to your other Internet Explorer session with SUS



Hint: If you logged out or timed out, log back in with the information in step 2.

- b) Choose *Shipping Notification* → *Sent* from the menu options
- c) Select the first document in the list and choose the *Create Invoice* button
- d) Choose the *Send* button
- e) Choose the *Display Document Flow* button to see a summary of the related documents.
- f) Choose *Log Off*

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5. Display the purchase order history in ECC
 - a) Switch back to your ECC session or use the information in step 1 to log back on
 - b) Enter **/NME23N** in the command field
 - c) Choose *Purchase order* → *Other Purchase Order* from the path at the top of the screen
 - d) Enter the purchaser order you created in step 1
 - e) Choose the *Purchase Order History* tab within the item details section of the purchase order

You see a summary of the goods receipt and invoice for the item



Lesson Summary

You should now be able to:

- Describe the Supplier Qualification process.
- Explain the Order Collaboration process
- Describe the Design Collaboration scenario
- Explain the Collaborative Replenishment scenario
- Describe the options for Supplier Connectivity

Related Information

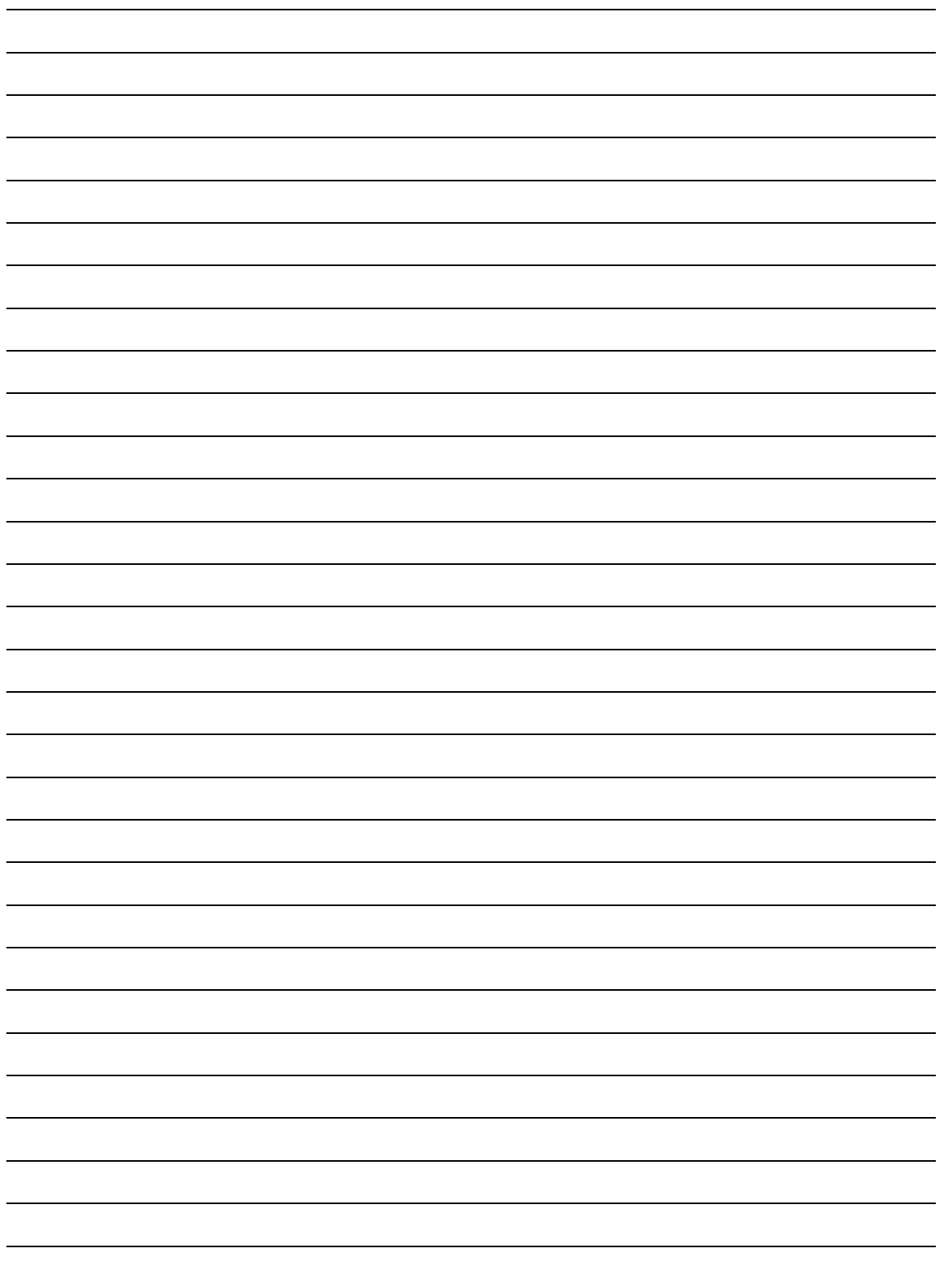
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Unit Summary

You should now be able to:

- Describe the Supplier Qualification process.
- Explain the Order Collaboration process
- Describe the Design Collaboration scenario
- Explain the Collaborative Replenishment scenario
- Describe the options for Supplier Connectivity







Course Summary

You should now be able to:

- Describe the architecture of SAP SRM
- Describe the application and technical components of SAP SRM
- Explain the business and technical scenarios of SAP SRM
- Describe the key master data and roles within my SAP SRM
- Execute business processes within SRM.
- Explain the basic concepts of SAP E-Sourcing, SAP Contract Lifecycle Management and SAP Spend Analytics.

Feedback

SAP AG has made every effort in the preparation of this course to ensure the accuracy and completeness of the materials. If you have any corrections or suggestions for improvement, please record them in the appropriate place in the course evaluation.